

**SCHOOL DISTRICT
OF THE
TOWNSHIP OF DENVILLE**

**Denville Township Board of Education
Denville, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

**Annual Comprehensive
Financial Report**

of the

DENVILLE TOWNSHIP SCHOOL DISTRICT

Denville, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

**Denville Township Board of Education
Finance Department**

DENVILLE TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)



Denville Township Schools

1 Saint Mary's Place – Second Floor, Denville, New Jersey 07834

Mrs. Damaris Gurowsky
Business Administrator/Board Secretary
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October 6, 2023

The Honorable President, Members of
the Board of Education, and Citizens
Denville Township School District
County of Morris, New Jersey

Dear President, Board Members, and Citizens:

The annual comprehensive financial report of the Denville Township School District (the "District") for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the 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 Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, 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 the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, is included in the single audit section of this report.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The transmittal letter is designed to be read in conjunction with the MD&A. The MD&A section provides an overview of factors that impact the District's financial position.

1) REPORTING ENTITY AND ITS SERVICES: The Denville Township School District is an independent reporting 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 Denville Township 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 K through 8. These include regular as well as special education for classified youngsters with special needs.

The Honorable President and Members of
the Board of Education and Citizens
Denville Township School District
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October 6, 2023

2) ENROLLMENT:

The District completed the 2022-2023 fiscal year with an enrollment of 1,707 students, which is an increase of 43 students or 2.58% from the previous year's enrollment. The projected enrollment for the 2023-2024 fiscal year is 1,700 students. While nationally, Charter Schools have become popular, the district has seen limited use of this alternative education source having just six students in charter school choose this option in the past school year.

3) SCHOOL BUILDINGS and CAPITAL IMPROVEMENTS:

The District's buildings, Lakeview Elementary School and Riverview Elementary School were built in 1958, Valleyview Middle School was built in 1965. The District's Bus Garage was built in 1964.

4) ECONOMIC CONDITION AND OUTLOOK:

The Denville Board of Education continue to be affected by changes in state aid and regulations as it relates to employee salaries and health benefits. Enrollment numbers for the current year increased slightly from the prior year. Given the economic environment of the country as a whole, this may change in the future.

5) MAJOR INITIATIVES:

Math - Budget priority includes additional professional development in the areas of multi-sensory instruction, modeling and problem-solving will be provided. Digital support programs include Reflex & Frax Math K-5, Math 180, DreamBox Math, and LinkIt! Benchmark Assessments K-8. Funding for online tutoring was made available for students who experience learning loss during the pandemic.

English Language Arts - Professional development money was budgeted to further the implementation of K-5 Readers/Writers workshop and best practices in grades 6-8 to support the New Jersey Student Learning Standards and ensure NJSLA preparation. Some units were purchased digitally to support teacher professional growth. The priority was on the word work component of our balanced literacy program, and expanding the middle school Units of Study, classroom libraries and book clubs. Digital literacy products, such as Newsela were ordered to support language arts instruction. Additional classroom libraries were purchased for new grade level sections. Funding for online tutoring was made available for students who experience learning loss during the pandemic.

Science - Funding was provided to replenish consumable material for the Science Programs K-8. Digital support programs include Mystery Science, Brain Pop, and Discovery Science. Woodworking was added as a 7th grade elective. Funds were used for supplies and curriculum for this program.

Life Careers - Funding was provided to replenish consumable materials and renovation of the Family and Consumer Science Lab.

Health & Physical Education - Funding was provided to purchase new texts to support updated Health Curriculum and replacement equipment for Physical Education as needed.

World Languages - The World Language Program expanded to include full year programs 6-8, and weekly programs K-5. Funding was also provided for additional texts and online language programs. A digital component was purchased to support language acquisition in French.

Technology - Budgetary expenditures to replace computer hardware & no longer supported software were included. The installation of replacement FM systems, Document Cameras and Smartboards continues, along with the expansion of a 1:1 Chromebook initiative to include elementary grades. Approximately 300 Chromebooks were purchased. Work on enhancing the Wi-Fi at the two elementary schools was included in this budget.

Visual Performing Arts - Funding was provided to replenish consumable supplies in music and art programs.

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

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

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

7) ACCOUNTING SYSTEM AND BUDGETARY CONTROLS: The District is an independent reporting 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 District's accounting records include an expanded minimum chart of accounts using dimensions to define area and location. Board approval for most budgetary transfers is required at the state minimum level, which is the dimension object within program. Additional approval from the New Jersey State Department of Education is required in the case of General Fund transfers from any transfer to capital outlay from current expense except for equipment, transfers from unassigned fund balance, and all transfers that on a cumulative basis exceeds 10% of the advertised appropriation as established by the New Jersey Department of Education, Division of Finance.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2023.

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

The District's budget is developed annually by the administration with input from all stakeholders in the District. Once compiled, it is presented to the District's Board of Education and the New Jersey Department of Education's Executive County Superintendent of Schools in March of each year. It is then advertised for public input and a budget hearing is scheduled. Public comment at the hearing may result in modifications. The final budget must be posted to the District's website forty-eight hours after the public hearing.

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

8) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants. The accounting firm of Nisivoccia LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and 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 are included in the single audit section of this report.

9) AWARDS: The Association of School Business Officials International ("ASBO") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Denville Township School District for its Annual Comprehensive Financial Report ("ACFR") for the fiscal years ended June 30, 2019 through 2022. This program contributes to the enhancement of credibility of financial management, the adoption of accounting principles generally accepted in the United States of America, and sound budgetary and reporting purposes. In order to be awarded the Certificate of Excellence, the District must prepare the ACFR in a fashion that strictly conforms to generally accepted accounting principles and program requirements. The Certificate of Excellence is valid for a period of one year, and the District feels confident that it will continue to meet the program requirements and will apply for the award for the fiscal year ended June 30, 2023.

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Denville Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

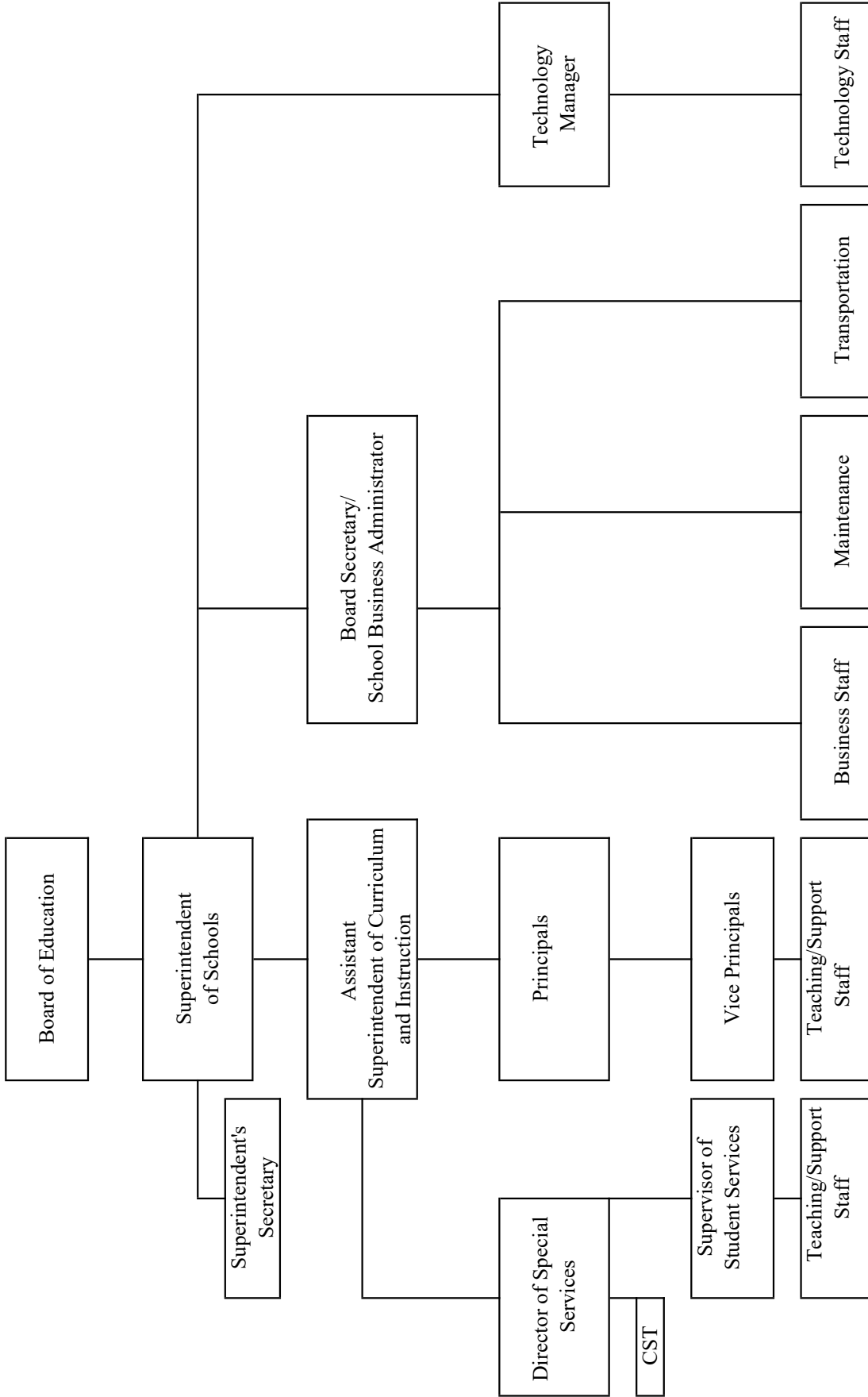


Dr. Steven Forte
Superintendent



Damaris Gurowsky
Business Administrator/Board Secretary

DENVILLE TOWNSHIP SCHOOL DISTRICT
Organizational Chart
 (Unit Control)



**DENVILLE TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Michael Andersen, President	2023
Dino Cappello, Vice President	2023
James Kim	2023
Andrea Zeydelis	2025
Dr. Venu Arunajatesan	2024
Dr. Clifford Moore	2024
Don Casse	2025

<u>Other Officials</u>	<u>Title</u>
Dr. Steven Forte	Superintendent of Schools
Damaris Gurowsky	Board Secretary/School Business Administrator
Paula Hatch	Treasurer of School Monies

DENVILLE TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors

Attorney

Cleary, Giacobbe, Alfieri, Jacobs, LLC
The Legal Center
1037 Raymond Blvd., Suite 900
Newark, NJ 07102

Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC
238 St. Paul Street
Westfield, NJ 07090

Audit Firm

Nisivoccia LLP
200 Valley Road, Suite 300
Mount Arlington, NJ 07856

Architect

EI Associates
8 Ridgedale Avenue
Cedar Knolls, NJ 07927

French & Parrello Associates
1800 Route 34 Suite 101
Wall, NJ 07719

Official Depositories

Provident Bank
41 Broadway
Denville, NJ 07834

State of New Jersey Cash Management Fund
Division of Investment
Department of the Treasury
Trenton, NJ 08625



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Denville Board of Education

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Denville Township 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 Denville Township School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 2023, 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, 2023, 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.

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.

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.

The Honorable President and Members
of the Board of Education
Denville Township School District
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October 6, 2023

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 or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 October 6, 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 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.

Mount Arlington, New Jersey
October 6, 2023

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

Man C. Lee
Licensed Public School Accountant #2527
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**DENVILLE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This section of the Denville Township School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2023. 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 service.
- The *Notes to the Basic Financial Statements* provide additional information to full understanding of *District-wide* and *fund financial statements*.

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 Denville Township School District's Financial Report**

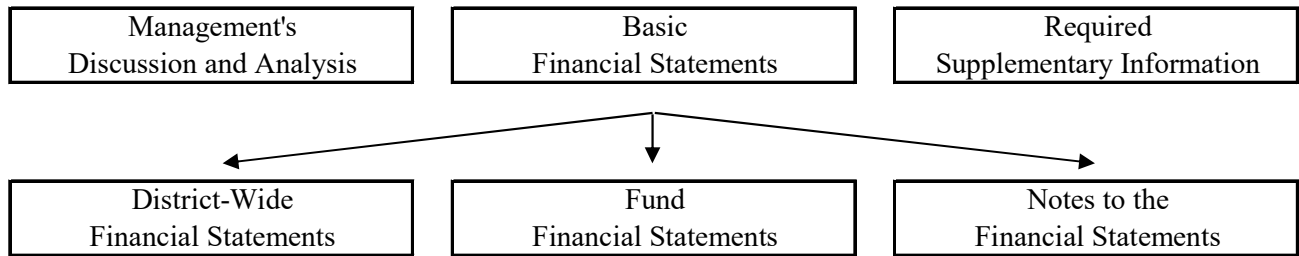


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

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 program is included here.

Fund Financial Statements

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

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

The District has two kinds of funds:

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

Notes to the Basic Financial Statements: The notes provide basic information that is essential to a full understanding of the data provided in the District-wide and Fund financial statements. Those notes to the basic financial statements can be found immediately following the Fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by 0.27%. Net position from governmental activities increased \$43,774 while net position from business-type activities increased \$630. Net investment in capital assets increased \$1,022,697, restricted net position increased by \$1,008,960 and unrestricted net position decreased \$1,987,253.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
Current and Other Assets	\$ 9,760,436	\$ 11,502,450	\$ 18,766	\$ 17,992	\$ 9,779,202	\$ 11,520,442	
Capital Assets, Net	16,679,267	15,944,047	116,558	116,702	16,795,825	16,060,749	
Lease Assets, Net	285,041	459,466			285,041	459,466	
Total Assets	<u>26,724,744</u>	<u>27,905,963</u>	<u>135,324</u>	<u>134,694</u>	<u>26,860,068</u>	<u>28,040,657</u>	-4.21%
Deferred Outflows of Resources	<u>1,652,531</u>	<u>1,108,868</u>			<u>1,652,531</u>	<u>1,108,868</u>	49.03%
Other Liabilities	1,432,821	1,014,980			1,432,821	1,014,980	
Long-Term Liabilities	9,448,766	7,927,008			9,448,766	7,927,008	
Total Liabilities	<u>10,881,587</u>	<u>8,941,988</u>			<u>10,881,587</u>	<u>8,941,988</u>	21.69%
Deferred Inflows of Resources	<u>1,289,388</u>	<u>3,910,317</u>			<u>1,289,388</u>	<u>3,910,317</u>	-67.03%
Net Position:							
Net Investment in Capital Assets	15,775,572	14,752,731	116,558	116,702	15,892,130	14,869,433	
Restricted	8,147,393	7,138,433			8,147,393	7,138,433	
Unrestricted/(Deficit)	<u>(7,716,665)</u>	<u>(5,728,638)</u>	<u>18,766</u>	<u>17,992</u>	<u>(7,697,899)</u>	<u>(5,710,646)</u>	
Total Net Position	<u>\$ 16,206,300</u>	<u>\$ 16,162,526</u>	<u>\$ 135,324</u>	<u>\$ 134,694</u>	<u>\$ 16,341,624</u>	<u>\$ 16,297,220</u>	0.27%

Changes in Net Position. The District's combined net position was \$16,341,624 on June 30, 2023, \$44,404 or 0.27% more than it was the year before (See Figure A-3). Net investment in capital assets increased mainly due to capital assets additions and paydown of principal for financed purchases and leases offset by capital assets depreciation and lease asset amortization. Restricted net position increased primarily as a result of a transfer to the capital reserve at year end. Unrestricted net position decreased mainly due to an increase in net pension liability and related deferred resources and health benefit costs and transfer to the capital reserve. (See Figure A-3).

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
Revenue:							
Program Revenue:							
Charges for Services	\$ 157,610	\$ 168,642	\$ 20,048	\$ 44,403	\$ 177,658	\$ 213,045	
Grants and Contributions:							
Operating	9,059,940	15,271,224	18,228	19,354	9,078,168	15,290,578	
General Revenue:							
Property Taxes	32,735,008	32,489,754			32,735,008	32,489,754	
Federal and State Aid Not Restricted	27,717	17,045			27,717	17,045	
Other	299,766	156,694	220	183	299,986	156,877	
Total Revenue	<u>42,280,041</u>	<u>48,103,359</u>	<u>38,496</u>	<u>63,940</u>	<u>42,318,537</u>	<u>48,167,299</u>	-12.14%
Expenses:							
Instruction	24,924,618	29,284,048			24,924,618	29,284,048	
Pupil and Instruction Services	6,601,818	5,772,161			6,601,818	5,772,161	
Administrative and Business	3,636,410	4,021,362			3,636,410	4,021,362	
Maintenance and Operations	3,964,706	4,034,209			3,964,706	4,034,209	
Transportation	2,958,081	2,697,931			2,958,081	2,697,931	
Other	97,634	533,712	90,866	121,028	188,500	654,740	
Total Expenses	<u>42,183,267</u>	<u>46,343,423</u>	<u>90,866</u>	<u>121,028</u>	<u>42,274,133</u>	<u>46,464,451</u>	-9.02%
Transfers	<u>(53,000)</u>	<u>(55,000)</u>	<u>53,000</u>	<u>55,000</u>	<u>-0-</u>	<u>-0-</u>	
Change in Net Position	43,774	1,704,936	630	(2,088)	44,404	1,702,848	-97.39%
Beginning Net Position	<u>16,162,526</u>	<u>14,457,590</u>	<u>134,694</u>	<u>136,782</u>	<u>16,297,220</u>	<u>14,594,372</u>	
Ending Net Position	<u>\$ 16,206,300</u>	<u>\$ 16,162,526</u>	<u>\$ 135,324</u>	<u>\$ 134,694</u>	<u>\$ 16,341,624</u>	<u>\$ 16,297,220</u>	0.27%

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District has increased by \$43,774. Maintaining existing programs with changes in enrollment, the provision of a multitude of special programs/services for disabled pupils and increases in District health benefits costs places a great demand on the District’s resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Although state aid has slightly increased over the past few years, the burden of funding education in the District has fallen on property taxes as costs have increased at a rate above state aid increases. Therefore, it is crucial that the District continue to examine its expenses carefully, since any proposed increase to the school district budget will be funded entirely through property taxes.

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

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2022/2023	2021/2022	2022/2023	2021/2022
Instruction	\$ 24,924,618	\$ 29,284,048	\$ 17,796,617	\$ 16,502,613
Pupil and Instruction Services	6,601,818	5,772,161	5,692,394	5,000,236
Administrative and Business	3,636,410	4,021,362	3,304,349	3,181,690
Maintenance and Operations	3,964,706	4,034,209	3,741,544	3,523,995
Transportation	2,958,081	2,697,931	2,333,179	2,161,311
Other	97,634	533,712	97,634	533,712
	<u>\$ 42,183,267</u>	<u>\$ 46,343,423</u>	<u>\$ 32,965,717</u>	<u>\$ 30,903,557</u>

Business-Type Activities

Net position from the District’s business-type activities, food service, increased by \$630 due to revenues and contributions from the General Fund exceeding normal expenses. (Refer to Figure A-4).

Financial Analysis of the District’s Funds

The District’s General Fund financial status decreased despite an increase in state aid mainly due to increases in health benefit costs and contractual obligations. To maintain a stable financial position, the District must continue to practice sound fiscal management.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following category:

- Changes made within budgetary line items were in school-based needs for programs, textbooks, and teachers’ salaries, increased utilities costs, health benefits cost, and legal and other professional services.

Capital Asset and Long Term Liabilities

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
Land	\$ 105,150	\$ 105,150			\$ 105,150	\$ 105,150	
Construction in Progress	643,889	667,942			643,889	667,942	
Site Improvements	410,135	305,933			410,135	305,933	
Buildings and Building Improvements	14,097,583	13,439,445			14,097,583	13,439,445	
Machinery and Equipment	1,422,510	1,425,577	\$ 116,558	\$ 116,702	1,539,068	1,542,279	
Total Capital Assets, Net of Depreciation	<u>\$ 16,679,267</u>	<u>\$ 15,944,047</u>	<u>\$ 116,558</u>	<u>\$ 116,702</u>	<u>\$ 16,795,825</u>	<u>\$ 16,060,749</u>	4.58%

The District’s overall capital assets increased due to additions offset by normal depreciation expense and disposals. (More detailed information about the District’s capital assets is presented in Note 7 to the financial statements.)

Long-term Liabilities

The District’s long-term liabilities increased \$1,521,758, or 19.2%, – as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 9 to the financial statements.)

Figure A-7
Outstanding Long-Term Liabilities

	Total School District		Total
	2022/2023	2021/2022	Percentage Change 2022/2023
Net Pension Liability	\$ 7,982,603	\$ 6,052,212	
Financed Purchases Payable	1,057,688	1,146,296	
Leases Payable	131,048	504,486	
Compensated Absences Payable	277,427	224,014	
	<u>\$ 9,448,766</u>	<u>\$ 7,927,008</u>	<u>19.20%</u>

- The District’s net pension liability increased by \$1,910,391.
- The District paid down \$88,608 of financed purchases payable.
- The District paid down \$394,241 of leases payable and entered into a new copier lease for \$20,803.
- The District’s liability for compensated absences increased by a net amount of \$53,476.

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

At the time these financial statements were prepared and audited, the District was aware of existing circumstance that could significantly affect its financial health in the future. Many factors were considered by the District's administration during the process of developing the fiscal year budget. The primary factors were the District's projected student population, anticipated state and federal aid, as well, as increasing salaries and related benefit costs.

While many factors influence the District's future, the availability of funding for special education needs will have the most impact on educational and fiscal decision making in the future.

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, 1 Saint Mary’s Place, 2nd Floor, Denville, New Jersey 07834.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

DENVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 12,509	\$ 44,363	\$ 56,872
Investments	1,051,528		1,051,528
Internal Balances	26,739	(26,739)	
Receivables from Federal Governments	616,400	1,142	617,542
Receivables from State Governments	39,267		39,267
Other Accounts Receivable	17,694		17,694
Prepaid Expenses	248,906		248,906
Restricted Cash and Cash Equivalents	7,747,393		7,747,393
Capital Assets:			
Sites (Land)	105,150		105,150
Construction in Progress	643,889		643,889
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	15,930,228	116,558	16,046,786
Lease Assets, Net	285,041		285,041
Total Assets	<u>26,724,744</u>	<u>135,324</u>	<u>26,860,068</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	965,496		965,496
District Contribution Subsequent to the Measurement Date	687,035		687,035
Total Deferred Outflows of Resources	<u>1,652,531</u>		<u>1,652,531</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	1,332,298		1,332,298
Payable to Federal Government	16		16
Payable to State Government	1,550		1,550
Unearned Revenue	98,957		98,957
Noncurrent Liabilities:			
Due Within One Year	132,188		132,188
Due Beyond one Year	9,316,578		9,316,578
Total Liabilities	<u>10,881,587</u>		<u>10,881,587</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred Inflows Related to Pensions	1,289,388		1,289,388
Total Deferred Outflows of Resources	<u>1,289,388</u>		<u>1,289,388</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	15,775,572	116,558	15,892,130
Restricted for:			
Capital Projects	5,525,669		5,525,669
Maintenance	1,500,711		1,500,711
Unemployment Compensation	673,339		673,339
Student Activities	47,674		47,674
Excess Surplus	400,000		400,000
Unrestricted/(Deficit)	(7,716,665)	18,766	(7,697,899)
Total Net Position	<u>\$ 16,206,300</u>	<u>\$ 135,324</u>	<u>\$ 16,341,624</u>

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 17,232,783	\$ 68,386	\$ 3,326,123	\$ (13,838,274)		\$ (13,838,274)
Special Education	6,791,410		3,584,881	(3,206,529)		(3,206,529)
Other Special Instruction	700,197		140,286	(559,911)		(559,911)
Other Instruction	200,228		8,325	(191,903)		(191,903)
Support Services:						
Tuition	928,847		383,174	(545,673)		(545,673)
Student & Instruction Related Services	5,672,971	89,224	437,026	(5,146,721)		(5,146,721)
General Administrative Services	932,877		23,669	(909,208)		(909,208)
School Administrative Services	1,840,745		272,120	(1,568,625)		(1,568,625)
Central Services	516,599		21,250	(495,349)		(495,349)
Administration Information Technology	346,189		15,022	(331,167)		(331,167)
Plant Operations and Maintenance	3,964,706		223,162	(3,741,544)		(3,741,544)
Pupil Transportation	2,958,081		624,902	(2,333,179)		(2,333,179)
Transfer to Charter Schools	92,931			(92,931)		(92,931)
Capital Outlay	4,703			(4,703)		(4,703)
Total Governmental Activities	42,183,267	157,610	9,059,940	(32,965,717)		(32,965,717)

DENVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:						
Food Service	\$ 90,866	\$ 20,048	\$ 18,228		\$ (52,590)	\$ (52,590)
Total Business-Type Activities	90,866	20,048	18,228		(52,590)	(52,590)
Total Primary Government	\$ 42,274,133	\$ 177,658	\$ 9,078,168	\$ (32,965,717)	(52,590)	(33,018,307)

General Revenues and Transfers:

Taxes:						
Property Taxes, Levied for General Purposes, Net				32,735,008		32,735,008
Federal and State Aid not Restricted				27,717		27,717
Interest and Miscellaneous Revenue				299,766	220	299,986
Transfers				(53,000)	53,000	
Total General Revenues and Transfers				33,009,491	53,220	33,062,711
Change in Net Position				43,774	630	44,404
Net Position - Beginning				16,162,526	134,694	16,297,220
Net Position - Ending				\$ 16,206,300	\$ 135,324	\$ 16,341,624

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

FUND FINANCIAL STATEMENTS

DENVILLE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents		\$ 12,509		\$ 12,509
Investments	\$ 1,051,528			1,051,528
Interfund Receivables	550,463			550,463
Receivables from State Government	567,881		\$ 48,519	616,400
Receivables from Federal Government		39,267		39,267
Prepaid Expenses	248,906			248,906
Other Accounts Receivable	17,694			17,694
Restricted Cash and Cash Equivalents	7,699,719	47,674		7,747,393
Total Assets	<u>\$ 10,136,191</u>	<u>\$ 99,450</u>	<u>\$ 48,519</u>	<u>\$ 10,284,160</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 525,730	\$ 18,468	\$ 101,065	\$ 645,263
Interfund Payable			523,724	523,724
Payable to Federal Government		16		16
Payable to State Government		1,550		1,550
Unearned Revenue	67,215	31,742		98,957
Total Liabilities	<u>592,945</u>	<u>51,776</u>	<u>624,789</u>	<u>1,269,510</u>
Fund Balances:				
Nonspendable	248,906			248,906
Restricted:				
Capital Reserve Account	5,525,669			5,525,669
Maintenance Reserve Account	1,500,711			1,500,711
Unemployment Compensation	673,339			673,339
Excess Surplus - 2024-2025	200,000			200,000
Excess Surplus - 2023-2024	200,000			200,000
Student Activities		47,674		47,674
Assigned:				
Other Purposes	669,072			669,072
Unassigned / (Deficit)	525,549		(576,270)	(50,721)
Total Fund Balances / (Deficit)	<u>9,543,246</u>	<u>47,674</u>	<u>(576,270)</u>	<u>9,014,650</u>
Total Liabilities and Fund Balances	<u>\$ 10,136,191</u>	<u>\$ 99,450</u>	<u>\$ 48,519</u>	<u>\$ 10,284,160</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

Total Fund Balances (Above) \$ 9,014,650

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

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the Funds. 16,679,267

Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. 285,041

Certain amounts related to the Net Pension Liability and Deferred are Amortized in the Statement of Activities and not reported in the Governmental Funds:

Deferred Outflows	1,652,531
Deferred Inflows	(1,289,388)

District contributions subsequent to the measurement date are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the Statement of Net Position. (687,035)

Long-Term Liabilities, including net pension liability for PERS, leases payable and financed purchases payable are not due and payable in the current period and therefore are not reported as liabilities in the (9,448,766)

Net Position of Governmental Activities \$ 16,206,300

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 32,735,008			\$ 32,735,008
Tuition	68,386			68,386
Interest on Maintenance Reserve Funds	14,771			14,771
Interest on Capital Reserve Funds	29,000			29,000
Restricted Miscellaneous		\$ 89,224		89,224
Unrestricted Miscellaneous	255,995	6,776		262,771
Total - Local Sources	33,103,160	96,000		33,199,160
State Sources	10,158,523	39,648		10,198,171
Federal Sources	27,717	762,325		790,042
Total Revenues	43,289,400	897,973		44,187,373
EXPENDITURES				
Current:				
Regular Instruction	11,188,228	179,859		11,368,087
Special Education Instruction	4,217,640	15,367		4,233,007
Other Special Instruction	433,725			433,725
Other Instruction	170,112			170,112
Support Services and Undistributed Costs:				
Tuition	545,673	383,174		928,847
Student & Instruction Related Services	4,294,749	292,159		4,586,908
General Administrative Services	648,328			648,328
School Administrative Services	1,213,495			1,213,495
Central Services	374,535			374,535
Administration Information Technology	268,258			268,258
Plant Operations and Maintenance	3,416,595			3,416,595
Pupil Transportation	2,107,989			2,107,989
Allocated and Unallocated Benefits	14,695,323			14,695,323
Capital Outlay	664,715	37,649	\$ 950,492	1,652,856
Transfer of Funds to Charter Schools	92,931			92,931
Total Expenditures	44,332,296	908,208	950,492	46,190,996
Excess of Revenues Over Expenditures	(1,042,896)	(10,235)	(950,492)	(2,003,623)
OTHER FINANCING SOURCES/(USES)				
Leases (non-budgeted)	20,803			20,803
Transfers	(427,222)		374,222	(53,000)
Total Other Financing Sources/(Uses)	(406,419)		374,222	(32,197)
Net Change in Fund Balances	(1,449,315)	(10,235)	(576,270)	(2,035,820)
Fund Balance — July 1	10,992,561	57,909		11,050,470
Fund Balance/(Deficit) — June 30	\$ 9,543,246	\$ 47,674	\$ (576,270)	\$ 9,014,650

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (2,035,820)

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital outlays related to capital assets 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 depreciation differs from capital outlays in the period.

Capital Asset Additions	\$ 1,775,153	
Disposals	(80,184)	
Depreciation	<u>(959,749)</u>	735,220

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.

Amortization Expense	\$ (195,228)	
Lease Asset Additions	<u>20,803</u>	(174,425)

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. (20,803)

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 of Activities. 394,241

Repayment of financed purchases payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 88,608

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	(1,930,391)
Change in Deferred Outflows	419,628
Change in Deferred Inflows	2,620,929

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (53,413)

Change in Net Position of Governmental Activities (A-2) \$ 43,774

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities - Enterprise Funds
	Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 44,363
Accounts Receivable:	
Federal	1,142
Total Current Assets	45,505
Non-Current Assets:	
Capital Assets	189,797
Less: Accumulated Depreciation	(73,239)
Total Non-Current Assets	116,558
Total Assets	162,063
LIABILITIES:	
Current Liabilities:	
Interfund Payable - General Fund	26,739
Total Current Liabilities	26,739
Total Liabilities	26,739
NET POSITION:	
Investment in Capital Assets	116,558
Unrestricted	18,766
Total Net Position	\$ 135,324

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Business-type Activities - Enterprise Fund Food Service</u>
Operating Revenue:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 20,048
Total Operating Revenue	<u>20,048</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	76,945
Depreciation	13,704
Miscellaneous Expenses	217
Total Operating Expenses	<u>90,866</u>
Operating Loss	<u>(70,818)</u>
Non-Operating Revenue:	
Federal Sources:	
Special Milk Program	18,228
Local Sources:	
Interest Revenue	220
Total Non-Operating Revenue	<u>18,448</u>
Change in Net Position Before Transfer	(52,370)
Transfer - General Fund	<u>53,000</u>
Change in Net Position After Transfer	630
Net Position - Beginning of Year	<u>134,694</u>
Net Position - End of Year	<u><u>\$ 135,324</u></u>

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 20,048
Payments to Suppliers	(77,162)
Net Cash Used for Operating Activities	<u>(57,114)</u>
Cash Flows from Investing Activities:	
Interest Revenue	220
Net Cash Provided by Investing Activities	<u>220</u>
Cash Flows from Noncapital Financing Activities:	
Federal Sources - Special Milk Program	18,169
Interfund Advanced - General Fund	11,365
Board Contribution - General Fund	53,000
Net Cash Provided by Noncapital Financing Activities	<u>82,534</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(13,560)
Net Cash Used for Capital and Related Financing Activities	<u>(13,560)</u>
Net Increase in Cash and Cash Equivalents	12,080
Cash and Cash Equivalents, July 1	<u>32,283</u>
Cash and Cash Equivalents, June 30	<u>\$ 44,363</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (70,818)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	13,704
Net Cash Used for Operating Activities	<u>\$ (57,114)</u>

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Denville Township 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 District 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 nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function.

Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. 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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

The District reports the following governmental funds:

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

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. These resources can be transferred from and to current expenses by board resolution.

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

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, lease assets or subscription 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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

B. Basis of Presentation: (Cont'd)

Debt Service Fund (Not Applicable): The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting

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

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2023 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 budgeting 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. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 43,336,924	\$ 887,525
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, while the GAAP Basis does not.		10,448
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	192,575	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(240,099)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 43,289,400	\$ 897,973

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 44,332,296	\$ 897,760
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		10,448
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 44,332,296	\$ 908,208
	<u>Capital Projects Fund</u>	
	Revenue	Fund Balance
Revenue and Fund Balance (Deficit) per Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis)	\$ 2,233,125	\$ 2,066,024
Reconciliation to Governmental Funds Statement (GAAP):		
Grant Receivable not Recognized on GAAP Basis	(2,233,125)	(2,642,294)
Revenue and Fund Balance/(Deficit) per Governmental Funds (GAAP)	\$ -0-	\$ (576,270)

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

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 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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

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

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

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Transfers from governmental to business-type activities amounted to \$53,000 in 2022/2023.

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.

H. Encumbrances:

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

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year-end.

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

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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

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:

	<u>Estimated Useful Life</u>
Buildings	40 years
Site Improvements	20 years
Building Improvements	20 years
Machinery and Equipment	10 to 15 years

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

L. 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. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets are determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

N. Long Term Liabilities:

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

O. 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, 2023 other than salaries and wages for June overtime and stipends that were not paid out until the summer of 2023.

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

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.

Q. 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.

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

T. Fund Balance Appropriated:

General Fund: Of the \$9,543,246 General Fund balance at June 30, 2023, \$5,525,669 is restricted in the capital reserve account; \$1,500,711 is restricted in the maintenance reserve account; \$200,000 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2025; \$200,000 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2024; \$669,072 is assigned for encumbrances; \$673,339 is restricted for unemployment compensation; and \$525,549 is unassigned which is \$489,005 less than the calculated maximum unassigned fund balance, on a budgetary basis, due to the final two state aid payments (\$240,099) not being recognized until the fiscal year ended June 30, 2024 and \$248,906 that is classified as nonspendable fund balance on the GAAP basis for prepaid expenses.

Special Revenue Fund: The Special Revenue Fund balance at June 30, 2023 of \$47,674 is restricted for student activities.

Capital Projects Fund: The Capital Projects Fund has a deficit fund balance at June 30, 2023 of \$576,270 which is \$2,642,294 less on a GAAP basis due to the SSB-VEEBER grants not being recognized on a GAAP basis until certain milestones are accomplished and the required documentation is submitted to the grantor for reimbursements.

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

P.L. 2003, C.97 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 Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

U. Deficit Net Position/ Fund Balance:

The District has a deficit in unrestricted net position of \$7,716,665 in governmental activities, which is primarily due to compensated absences payable, net pension liability, deferred outflows and inflows of resources related to pensions, and a deficit for Capital Projects Fund fund balance due to grant receivables not being recognized on a GAAP basis until certain milestones are accomplished and the required documentation is submitted to the grantor for reimbursements. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

V. 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 related to pensions at June 30, 2023.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization and subscription 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.

W. Fund Balance Restrictions, Commitments and Assignments and Non-Spendable Fund Balance:

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 excess surplus, a maintenance reserve, student activities, unemployment compensation and a capital reserve.

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 at a public meeting of that governing body. The Board must also utilize a formal motion or a resolution passed by a majority of the Members of the Board 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, 2023.

The assignment of resources is generally made by the Board of Education through a motion or a resolution passed by a majority of the Members of the Board. 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 may allow an official of the District to assign resources through policies adopted by the Board. The District has assigned resources for encumbrances in the General Fund at June 30, 2023.

Nonspendable fund balance includes resources that are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include but not limited to inventories, prepaid amounts, and property held for resale.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

X. Operating Revenue and Expenses:

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

Y. Revenue - Exchange and Nonexchange Transactions:

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

Nonexchange transactions, in which the 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 District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange 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.

Z. 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.

AA. 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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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, money market accounts, 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 Board 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 Board 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 Board 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.

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 permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

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

In addition to the above collateral requirement, if 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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Investments: (Cont'd)

- (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, 2023, cash and cash equivalents of the District consisted of the following:

	Investments	Cash and Cash Equivalents		
	Unrestricted	Unrestricted	Restricted	Total
Checking		\$ 56,872	\$ 7,747,393	\$ 7,804,265
Certificates of Deposits	\$ 1,051,528			1,051,528
	\$ 1,051,528	\$ 56,872	\$ 7,747,393	\$ 8,855,793

During the period ended June 30, 2023, the District did not hold any investments other than certificates of deposits. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2023 was \$8,855,793 and the bank balance was \$9,919,039.

NOTE 4. 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 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. 6A:23A-14.1(g) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 4,527,034
Add: Interest Earnings	29,000
Transfer by Board Resolution June 12, 2023	1,703,184
Unexpended Balances Returned	859,076
Less: Withdrawal by Budget	(1,218,403)
Transfer to Capital Projects Fund	(374,222)
Ending Balance, June 30, 2023	\$ 5,525,669

The balance in the capital reserve account did not exceed the balance of local support costs of uncompleted capital projects in the District’s LRFP. Withdrawals from the Capital Reserve Account were for use in DOE approved facilities projects, consistent with the District’s LRFP.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2023, the District had transfers to capital outlay for equipment which did not require county approval. The district had transfers to capital outlay for facilities acquisition and construction services which required county approval.

NOTE 6. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$700,000 was established by the District during the fiscal year ended June 30, 2014. 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.

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 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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 6. MAINTENANCE RESERVE ACCOUNT (Cont'd)

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 1,500,711
Add: Interest Earnings	14,771
Transfer by Board Resolution June 12, 2023	90,774
Returned Unexpended Balances	37,650
Less: Withdrawal by Board Resolutions	<u>(143,195)</u>
Ending Balance, June 30, 2023	<u>\$ 1,500,711</u>

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 105,150			\$ 105,150
Construction in Progress	667,942	\$ 656,278	\$ (680,331)	643,889
Total Capital Assets Not Being Depreciated	<u>773,092</u>	<u>656,278</u>	<u>(680,331)</u>	<u>749,039</u>
Capital Assets Being Depreciated:				
Site Improvements	322,035	109,570		431,605
Buildings and Building Improvements	30,327,290	636,264	729,396	31,692,950
Machinery and Equipment	3,641,200	373,041	(372,754)	3,641,487
Total Capital Assets Being Depreciated	<u>34,290,525</u>	<u>1,118,875</u>	<u>356,642</u>	<u>35,766,042</u>
Governmental Activities Capital Assets	<u>35,063,617</u>	<u>1,775,153</u>	<u>(323,689)</u>	<u>36,515,081</u>
Less Accumulated Depreciation for:				
Site Improvements	(16,102)	(5,368)		(21,470)
Buildings and Building Improvements	(16,887,845)	(707,522)		(17,595,367)
Machinery and Equipment	(2,215,623)	(246,859)	243,505	(2,218,977)
	<u>(19,119,570)</u>	<u>(959,749)</u>	<u>243,505</u>	<u>(19,835,814)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 15,944,047</u>	<u>\$ 815,404</u>	<u>\$ (80,184)</u>	<u>\$ 16,679,267</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 176,237	\$ 13,560		\$ 189,797
Less Accumulated Depreciation	<u>(59,535)</u>	<u>(13,704)</u>		<u>(73,239)</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 116,702</u>	<u>\$ (144)</u>	<u>\$ -0-</u>	<u>\$ 116,558</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

As of June 30, 2023, the District has \$643,889 in active construction projects for the HVAC replacement at Riverview Middle School and Lakeview Elementary School. Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 30,354
Special Instruction	3,254
Other Instruction	6,797
General Administrative	146,669
School Administrative	26,362
School Sponsored Instruction	15,530
Student & Instruction Related Services	35,577
Plant Operations and Maintenance	194,840
Pupil Transportation	500,366
	<u>\$ 959,749</u>

NOTE 8. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2023 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Lease Assets Being Amortized:				
Buildings	\$ 719,069			\$ 719,069
Machinery and Equipment	184,123	\$ 20,803	\$ (6,880)	198,046
Total Lease Assets Being Amortized	903,192	20,803	(6,880)	917,115
Governmental Activities Lease Assets	903,192	20,803	(6,880)	917,115
Less Accumulated Amortization for:				
Buildings	(343,775)	(156,888)		(500,663)
Machinery and Equipment	(99,951)	(38,340)	6,880	(131,411)
	(443,726)	(195,228)	6,880	(632,074)
Governmental Activities Lease Assets, Net of Accumulated Amortization	\$ 459,466	\$ (174,425)	\$ -0-	\$ 285,041

Amortization expense was charged to governmental functions as follows:

Regular Instruction	\$ 97,613
Special Education Instruction	39,046
Other Instruction	19,523
Student and Other Instruction Related Services	19,523
Operations and Maintenance of Plant	19,523
	<u>\$ 195,228</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance 6/30/2022</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance 6/30/2023</u>	<u>Due within One Year</u>
Compensated Absences Payable	\$ 224,014	\$ 53,611	\$ 198	\$ 277,427	
Net Pension Liability	6,052,212	1,930,391		7,982,603	
Leases Payable	504,486	20,803	394,241	131,048	\$ 38,847
Financed Purchases Payable	1,146,296		88,608	1,057,688	93,701
	<u>\$ 7,927,008</u>	<u>\$ 2,004,805</u>	<u>\$ 483,047</u>	<u>\$ 9,448,766</u>	<u>\$ 132,548</u>

A. Bonds Premiums:

As of June 30, 2023, the Board had no unamortized bond issuance premiums.

B. Bonds Payable:

As of June 30, 2023, the Board had no bonds payable.

C. Bonds Authorized But Not Issued:

As of June 30, 2023, the Board had no bonds authorized but not issued.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The long-term portion balance of compensated absences is \$277,427. There is no current portion of the compensated absences liability at June 30, 2023. The General Fund will be used to liquidate compensated absences payable.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, no liability existed for compensated absences in the Food Service Fund.

E. Financed Purchases Payable:

The District entered into a financed purchases agreement in 2017 to fund the implementation of the District's energy savings plan ("ESIP") for \$1,189,428. As of June 30, 2023, \$837,741 has been liquidated. The following is a schedule of the future minimum financed purchases payments, and the present value of the net minimum financed purchases payments at June 30, 2023.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

E. Financed Purchases Payable: (Cont'd)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2024	\$ 117,619
2025	120,708
2026	123,871
2027	127,114
2028	130,435
2029-2032	<u>562,244</u>
Total Minimum Financed Purchases Payments	1,181,991
Less: Amount Representing Interest	<u>(124,303)</u>
Present Value of Net Minimum Finaced Purchases Payments	<u>\$ 1,057,688</u>

The current portion of the financed purchases payable at June, 2023 is \$93,701 and the long-term portion is \$963,987. The financed purchases payable will be liquidated by the General Fund.

F. Leases Payable:

The District had leases outstanding as of June, 30, 2023 as follows:

<u>Purpose</u>	<u>Commencement</u> <u>Date</u>	<u>Frequency</u> <u>of Payment</u>	<u>Final Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u>
E-Studio Copier	03/15/22	Monthly	06/15/27	2.500%	\$ 82,505
Savin Copier	07/15/20	Monthly	06/15/25	4.350%	29,829
Toshiba Estudio Copier	01/09/23	Monthly	03/09/28	2.500%	<u>18,714</u>
					<u>\$ 131,048</u>

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 38,487	\$ 3,237
2025	39,701	2,023
2026	25,078	1,070
2027	24,877	447
2028	<u>2,905</u>	<u>101</u>
	<u>\$ 131,048</u>	<u>\$ 6,878</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

G. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2023 is \$-0- and the long-term portion is \$7,982,603. 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 www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

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

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A 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 includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$672,974 for the current fiscal year. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$16,796 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District's liability was \$7,982,603 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.0529%, which was an increase of 0.0002% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit in the amount of \$443,131 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$16,746 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2023, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferral</u> <u>Year</u>	<u>Amortization</u> <u>Period</u> <u>in Years</u>	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Changes in Assumptions	2018	5.63		\$ 191,886
	2019	5.21		239,793
	2020	5.16		705,122
	2021	5.13		58,511
	2022	5.04	\$ 24,733	
			<u>24,733</u>	<u>1,195,312</u>
Changes in Proportion	2018	5.63	15,958	
	2019	5.21		43,268
	2020	5.16	228,240	
	2021	5.13	33,119	
	2022	5.40	275,438	
			<u>552,755</u>	<u>43,268</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	7,897	
	2020	5.00	237,298	
	2021	5.00	(1,480,110)	
	2022	5.00	1,565,308	
			<u>330,393</u>	
Difference Between Expected and Actual Experience	2018	5.63		7,307
	2019	5.21	18,330	
	2020	5.16	39,285	
	2021	5.13		19,669
	2022	5.04		23,832
			<u>57,615</u>	<u>50,808</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	687,035	
			<u>\$ 1,652,531</u>	<u>\$ 1,289,388</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding the District's contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

Fiscal Year Ending June 30,	Total
2023	\$ (520,115)
2024	(171,937)
2025	(74,461)
2026	440,710
2027	1,911
	\$ (323,892)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) 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, 2022 are summarized in the table below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2022 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:

	June 30, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 10,255,307	\$ 7,982,603	\$ 6,048,441

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 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 member 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 includes 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, such as the District. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$4,850,054 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$1,615,745.

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

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$60,036,327. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.116%, which was an increase of 0.001% from its proportion measured as of June 30, 2021.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>60,036,327</u>
Total	<u><u>\$ 60,036,327</u></u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$1,615,745 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements. The State reported collective deferred outflows and inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			<u>3,013,097,864</u>	<u>19,441,140,477</u>
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845.00
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
		<u>699,820,974</u>	<u>122,664,916</u>	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			<u>1,172,371,073</u>	
		<u><u>\$ 4,885,289,911</u></u>	<u><u>\$ 19,563,805,393</u></u>	

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

Amounts reported by the State as collective deferred outflows and 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
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$ (14,678,515,482)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability 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, 2022 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 70,393,869	\$ 60,036,327	\$ 51,311,399

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$36,938 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$49,944 for the fiscal year ended June 30, 2023.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

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.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits 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 www.state.nj.us/treasury/pensions/gasb-notice-opeb.shtml.

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	151,669
Active Plan Members	<u>213,148</u>
Total	<u><u>364,817</u></u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

Actuarial Assumptions and Other Inputs

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

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

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 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	Total OPEB Liability
Balance at June 30, 2021	\$ 69,468,330
Changes for Year:	
Service Cost	3,674,306
Interest on the Total OPEB Liability	1,549,635
Changes of Assumptions	(15,686,275)
Differences between Expected and Actual Experience	954,091
Gross Benefit Payments by the State	49,242
Contributions from Members	(1,534,960)
Net Changes	(10,993,961)
Balance at June 30, 2022	\$ 58,474,369

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, 2022 calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
	Total OPEB Liability Attributable to the District	\$ 68,730,470	\$ 58,474,369

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 11. POST-RETIREMENT BENEFITS (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (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, 2022, 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, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 48,332,640	\$ 58,474,369	\$ 71,796,146

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$2,618,751 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, 2022, the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 3,036,052
	2018	9.51		2,897,257
	2019	9.29	\$ 409,049	
	2020	9.24	9,657,827	
	2021	9.24	53,557	
	2022	9.13		13,968,172
			10,120,433	19,901,481
Differences Between Expected and Actual Experience	2018	9.51		2,738,810
	2019	9.29		4,814,529
	2020	9.24	9,001,473	
	2021	9.24		10,299,562
	2022	9.13	1,438,521	
			10,439,994	17,852,901
Changes in Proportion	N/A	N/A	2,452,281	799,888
			\$ 23,012,708	\$ 38,554,270

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. POST-RETIREMENT BENEFITS (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (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
2023	\$ (2,906,202)
2024	(2,906,202)
2025	(2,906,202)
2026	(2,511,687)
2027	(1,436,216)
Thereafter	(4,527,446)
	\$ (17,193,955)

NOTE 12. RISK MANAGEMENT

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. 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. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. Insurance settlements did not exceed coverage limits in the past three years. Health and dental benefits are provided to District employees through the State Health Benefits Plan.

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 table on the following page is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s Unemployment Compensation Restricted Fund Balance for the current and previous two years.

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2022-2023	\$ 21,807	\$ 83,182	\$ 84,429	\$ 673,339
2021-2022	150,000	102,017	68,883	652,779
2020-2021	-0-	97,673	71,453	469,645

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits

A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The District is a member of the New Jersey Schools Insurance Group (“NJSIG”). This public entity risk management pool provided workers’ compensation and employer’s liability for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

The NJSIG is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the NJSIG are elected.

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

As the June 30, 2023 financial information is not available at the date of this report, selected financial information as of June 30, 2022 is as follows:

Total Assets	\$ 419,556,712
Net Position	\$ 184,982,708
Total Revenue	\$ 134,563,842
Total Expenses	\$ 121,403,370
Change in Net Position	\$ 13,160,472
Net Assets Distribution to Participating Members	\$ -0-

Financial statements for NJSIG are available at the NJSIG’s Executive Director’s Office:

New Jersey Schools Insurance Group
6000 Midlantic Drive
Mount Laurel, NJ 08054
Phone: (609) 386-6060
Fax: (609) 386-8877

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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 14. INTERFUND BALANCES AND TRANSFERS

The following interfund balances existed as of June 30, 2023:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 550,463	
Capital Projects Fund		\$ 523,724
Proprietary Fund		26,739
	\$ 550,463	\$ 550,463

The interfund payable in the Capital Projects Fund represents an interfund advanced from the General Fund to cover the deficit in the Capital Projects Fund due to timing difference between capital grant expenses and reimbursements. The interfund payable in the Proprietary Fund represents an interfund loan from the General Fund, net of subsidiary reimbursements not turned over from the General Fund. Transfers from governmental to business-type activities amounted to \$53,000 in 2022-2023 as board contribution for the milk program. The District transferred \$374,222 from the Capital Reserve in the General Fund to the Capital Projects Fund to fund the local share of the Valleyview HVAC project.

NOTE 15. 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:

- Metropolitan Life Insurance Company
- Lincoln Investment Planning, Inc.
- The Equitable
- Prudential Investments - Disability Insurance

NOTE 16. 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 School District on a predetermined, agreed-upon schedule.

NOTE 17. COMMITMENTS AND CONTINGENCIES

Litigation:

The Board is periodically involved in claims or lawsuits arising in the normal course of business. The Board does not believe that the ultimate outcome of these cases would have a material adverse effect on the District's financial position.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 17. COMMITMENTS AND CONTINGENCIES (Cont'd)

Grant Programs:

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

Encumbrances:

The following encumbrance balances existed as of June 30, 2023:

	Governmental Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	
Encumbrances	\$ 669,072	\$ 34,101	\$ 120,924	\$ 824,097

On the District's Governmental Funds Balance Sheet as of June 30, 2023, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$34,101 more 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. The \$120,924 year-end encumbrances in the Capital Projects Fund are included in the (\$576,270) of deficit unassigned fund balance.

NOTE 18. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2023:

	Governmental Funds			District Contrib- tion Subsequent to the Measure- ment Date	Total Governmental Activities
	General Fund	Special Revenue	Capital Projects		
Vendors	\$ 362,630	\$ 18,468	\$ 75,056	\$ 456,154	\$ 456,154
Accrued Salaries and Wages	139,911			139,911	139,911
Payroll Deductions and Withholdings	23,189			23,189	23,189
Cash Deficit			26,009	26,009	26,009
State of N.J.				\$ 687,035	687,035
	\$ 525,730	\$ 18,468	\$ 101,065	\$ 645,263	\$ 1,332,298

The cash deficit in the Capital Projects Fund is due to the difference between timing of grant expenses and submission for reimbursements from the grantor.

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

DENVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.0479233275%	0.0491152006%	0.0506516473%	0.0486080856%	0.0492404107%	0.0484179467%	0.0508397296%	0.0510886099%	0.0528951307%
District's proportionate share of the net pension liability	\$ 8,972,558	\$ 11,025,378	\$ 15,001,565	\$ 11,315,185	\$ 9,695,191	\$ 8,724,179	\$ 8,290,630	\$ 6,052,212	\$ 7,982,603
District's covered employee payroll	\$ 3,348,994	\$ 3,376,954	\$ 3,282,452	\$ 3,264,344	\$ 3,367,420	\$ 3,647,026	\$ 3,704,068	\$ 3,680,638	\$ 3,769,126
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	267.92%	326.49%	457.02%	346.63%	287.91%	239.21%	223.82%	164.43%	211.79%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Contractually required contribution	\$ 395,073	\$ 422,259	\$ 449,982	\$ 463,331	\$ 494,591	\$ 473,578	\$ 556,162	\$ 598,656	\$ 672,974	
Contributions in relation to the contractually required contribution	(395,073)	(422,259)	(449,982)	(463,331)	(494,591)	(473,578)	(556,162)	(598,656)	(672,974)	
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	
District's covered employee payroll	\$ 3,376,954	\$ 3,282,452	\$ 3,264,344	\$ 3,367,420	\$ 3,647,026	\$ 3,704,068	\$ 3,680,638	\$ 3,769,126	\$ 4,351,986	
Contributions as a percentage of covered employee payroll	11.70%	12.86%	13.78%	13.76%	13.56%	12.79%	15.11%	15.88%	15.46%	

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

DENVERVILLE TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 ATTRIBUTABLE TO THE DISTRICT - TEACHERS' PENSION AND ANNUITY FUND
 LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's proportion of the net pension liability attributable to the District	0.1119457853%	0.11135165468%	0.1129110845%	0.1106836927%	0.1141582583%	0.1163182506%	0.1150690162%	0.1148862936%	0.1163620629%
State's proportionate share of the net pension liability attributable to the District	\$ 59,831,379	\$ 71,747,305	\$ 88,823,048	\$ 74,626,937	\$ 72,625,032	\$ 71,385,608	\$ 75,771,563	\$ 55,231,802	\$ 60,036,327
District's covered employee payroll	\$ 11,200,315	\$ 11,244,788	\$ 11,453,910	\$ 12,118,439	\$ 12,199,498	\$ 12,512,883	\$ 13,032,560	\$ 13,109,257	\$ 13,795,885
State's proportionate share of the net pension liability attributable to the District as a percentage of District's covered employee payroll	534.19%	638.05%	775.48%	615.81%	595.31%	570.50%	581.40%	421.32%	435.18%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 3,219,490	\$ 4,380,819	\$ 6,673,816	\$ 5,169,776	\$ 4,233,785	\$ 4,210,514	\$ 4,711,798	\$ 1,299,629	\$ 1,615,745
Contributions in relation to the contractually required contribution	(613,712)	(904,010)	(1,201,443)	(1,681,149)	(2,287,698)	(2,523,904)	(3,339,606)	(4,790,227)	(4,850,054)
Contribution deficiency/(excess)	\$ 2,605,778	\$ 3,476,809	\$ 5,472,373	\$ 3,488,627	\$ 1,946,087	\$ 1,686,610	\$ 1,372,192	\$ (3,490,598)	\$ (3,234,309)
District's covered employee payroll	\$ 11,244,788	\$ 11,453,910	\$ 12,118,439	\$ 12,199,498	\$ 12,512,883	\$ 13,032,560	\$ 13,109,257	\$ 13,795,885	\$ 14,604,052
Contributions as a percentage of covered employee payroll	28.63%	38.25%	55.07%	42.38%	33.84%	32.31%	35.94%	9.42%	11.06%

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

DENVILLE TOWNSHIP 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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 3,045,740	\$ 2,529,390	\$ 2,227,663	\$ 2,395,122	\$ 4,273,659	\$ 3,674,306
Interest Cost	1,894,309	2,198,770	2,033,949	1,722,981	1,802,082	1,549,635
Changes in Assumptions	(8,150,799)	(5,855,919)	708,081	14,345,214	68,536	(15,686,275)
Changes of Benefit Terms					(73,941)	
Differences between Expected and Actual Experience		(6,066,802)	(7,094,757)	13,904,971	(13,761,175)	954,091
Member Contributions	50,782	47,160	43,214	41,439	46,070	49,242
Gross Benefit Payments	(1,379,111)	(1,364,517)	(1,457,805)	(1,367,189)	(1,419,536)	(1,534,960)
Net Change in Total OPEB Libability	(4,539,079)	(8,511,918)	(3,539,655)	31,042,538	(9,064,305)	(10,993,961)
Total OPEB Liability - Beginning	64,080,749	59,541,670	51,029,752	47,490,097	78,532,635	69,468,330
Total OPEB Liability - Ending	\$ 59,541,670	\$ 51,029,752	\$ 47,490,097	\$ 78,532,635	\$ 69,468,330	\$ 58,474,369
District's Covered Employee Payroll *	\$ 14,736,362	\$ 15,382,783	\$ 15,566,918	\$ 16,159,909	\$ 16,736,628	\$ 16,789,895
Total OPEB Liability as a Percentage of Covered Employee Payroll	404%	332%	305%	486%	415%	348%

* - Covered payroll for the fiscal years ending June 30, 2017 through 2022 are based on the payroll on the June 30, 2016 through 2021 census data.

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

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.

BUDGETARY COMPARISON SCHEDULES

DENVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 32,735,008		\$ 32,735,008	\$ 32,735,008	
Tuition From Individuals				39,901	\$ 39,901
Tuition From Other LEAs Within the State				28,485	28,485
Unrestricted Miscellaneous Revenues	86,800		86,800	255,995	169,195
Interest Earned on Maintenance Reserve	100		100	14,771	14,671
Interest Earned on Capital Reserve Funds	100		100	29,000	28,900
Total Revenues from Local Sources	<u>32,822,008</u>		<u>32,822,008</u>	<u>33,103,160</u>	<u>281,152</u>
Revenues from State Sources:					
Categorical Transportation Aid	566,483		566,483	566,483	
Extraordinary Aid	250,000		250,000	498,113	248,113
Categorical Special Education Aid	1,715,744		1,715,744	1,715,744	
Categorical Security Aid	145,475		145,475	145,475	
Nonpublic School Transportation Costs				17,972	17,972
TPAF Post Retirement Contributions (Non-Budgeted)				1,291,774	1,291,774
TPAF Pension Contributions (Non-Budgeted)				4,850,054	4,850,054
TPAF Non-Contributory Insurance (Non-Budgeted)				67,289	67,289
TPAF Long-Term Disability Insurance (Non-Budgeted)				2,105	2,105
Reimbursed TPAF Social Security Contributions				1,051,038	1,051,038
Total Revenues from State Sources	<u>2,677,702</u>		<u>2,677,702</u>	<u>10,206,047</u>	<u>7,528,345</u>
Revenues from Federal Sources:					
Medicaid Reimbursement	21,848		21,848	26,932	5,084
Family First Coronavirus Response Act				785	785
Total Revenues from Federal Sources	<u>21,848</u>		<u>21,848</u>	<u>27,717</u>	<u>5,869</u>
TOTAL REVENUE	<u>35,521,558</u>		<u>35,521,558</u>	<u>43,336,924</u>	<u>7,815,366</u>

DENVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 567,297	\$ (120,720)	\$ 446,577	\$ 435,044	\$ 11,533
Grades 1-5 - Salaries of Teachers	5,449,929	536,965	5,986,894	5,972,025	14,869
Grades 6-8 - Salaries of Teachers	3,122,222	130,831	3,253,053	3,212,645	40,408
Regular Programs - Home Instruction:					
Salaries of Teachers	8,000	27,253	35,253	31,753	3,500
Purchased Professional-Educational Services	7,500	7,740	15,240	15,240	
Purchased Professional-Educational Services	8,200	(1,405)	6,795	6,795	
Purchased Technical Services	707,450	(114,594)	592,856	567,309	25,547
Other Purchased Services (400-500 series)	14,644	(1,713)	12,931	11,120	1,811
General Supplies	610,728	55,760	666,488	581,987	84,501
Textbooks	255,936	110,055	365,991	354,310	11,681
Total Regular Programs - Instruction	<u>10,751,906</u>	<u>630,172</u>	<u>11,382,078</u>	<u>11,188,228</u>	<u>193,850</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	523,705	17,354	541,059	541,059	
Other Salaries for Instruction	330,966	(17,000)	313,966	312,971	995
General Supplies	18,152	3,819	21,971	21,953	18
Total Learning and/or Language Disabilities	<u>872,823</u>	<u>4,173</u>	<u>876,996</u>	<u>875,983</u>	<u>1,013</u>
Resource Room/Resource Center:					
Salaries of Teachers	2,210,166	(202,011)	2,008,155	1,992,046	16,109
Other Salaries for Instruction	1,011,908	(57,970)	953,938	919,449	34,489
General Supplies	7,000	(148)	6,852	6,852	
Total Resource Room/Resource Center	<u>3,229,074</u>	<u>(260,129)</u>	<u>2,968,945</u>	<u>2,918,347</u>	<u>50,598</u>

DENVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 281,635		\$ 281,635	\$ 279,135	\$ 2,500
Other Salaries for Instruction	169,305	\$ 1,811	171,116	140,331	30,785
Purchased Professional-Educational Services	6,500	150	150	150	
General Supplies	457,440	(2,806)	3,694	3,694	
Total Preschool Disabilities - Part-Time		(845)	456,595	423,310	33,285
TOTAL SPECIAL EDUCATION - INSTRUCTION	4,559,337	(256,801)	4,302,536	4,217,640	84,896
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	440,937	(44,501)	396,436	368,666	27,770
General Supplies	4,000	(616)	3,384	3,384	
Total Basic Skills/Remedial - Instruction	444,937	(45,117)	399,820	372,050	27,770
Bilingual Education - Instruction:					
Salaries of Teachers	62,175	3,000	65,175	61,675	3,500
Total Bilingual Education - Instruction	62,175	3,000	65,175	61,675	3,500
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	117,094	(8,261)	108,833	99,813	9,020
Purchased Services (300-500 series)	20,860	(638)	20,222	15,294	4,928
Supplies and Materials	3,950	(1,801)	2,149	2,149	
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	141,904	(10,700)	131,204	117,256	13,948
School-Sponsored Athletics - Instruction:					
Salaries	74,902	(9,000)	65,902	44,034	21,868
Purchased Services (300-500 series)	8,000	2,379	10,379	8,822	1,557
Total School-Sponsored Athletics - Instruction	82,902	(6,621)	76,281	52,856	23,425
TOTAL INSTRUCTION	16,043,161	313,933	16,357,094	16,009,705	347,389

DENVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	\$ 79,412	\$ (79,412)			
Tuition to CSSD & Reg. Day Schools	127,740	(63,878)	\$ 63,862	\$ 63,862	
Tuition to Priv. Sch. for the Handicap. W/I State	541,069	(59,258)	481,811	481,811	
Total Undistributed Expenditures - Instruction	<u>748,221</u>	<u>(202,548)</u>	<u>545,673</u>	<u>545,673</u>	
Undistributed Expenditures - Health Services:					
Salaries	440,335	(21,996)	418,339	408,310	\$ 10,029
Purchased Professional and Technical Services	3,000	(3,000)			
Supplies and Materials	12,750	1,154	13,904	13,902	2
Total Undist. Expenditures - Health Services	<u>456,085</u>	<u>(23,842)</u>	<u>432,243</u>	<u>422,212</u>	<u>10,031</u>
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	394,441	3,146	397,587	394,587	3,000
Purchased Professional - Educational Services	327,245	(59,598)	267,647	248,592	19,055
Supplies and Materials	4,500	(168)	4,332	4,170	162
Total Undist. Expend. - Speech, OT, PT, Related Svcs	<u>726,186</u>	<u>(56,620)</u>	<u>669,566</u>	<u>647,349</u>	<u>22,217</u>
Undist. Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	567,692	(159,091)	408,601	408,103	498
Purchased Professional - Educational Services	72,576	194,074	266,650	250,564	16,086
Supplies and Materials	14,106	1,982	16,088	16,088	
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	<u>654,374</u>	<u>36,965</u>	<u>691,339</u>	<u>674,755</u>	<u>16,584</u>
Undist. Expend.-Guidance:					
Salaries of Other Professional Staff	379,355	(3,000)	376,355	374,398	1,957
Supplies and Materials	8,561	(4,749)	3,812	3,799	13
Total Undist Expend. - Guidance	<u>387,916</u>	<u>(7,749)</u>	<u>380,167</u>	<u>378,197</u>	<u>1,970</u>

DENVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	\$ 1,201,926	\$ 4,590	\$ 1,206,516	\$ 1,187,515	\$ 19,001
Salaries of Secretarial and Clerical Assistants	107,507	(799)	106,708	106,707	1
Purchased Professional - Educational Services	26,425	11,637	38,062	36,112	1,950
Other Purchased Services (400-500 series)	2,041	(2,000)	41	13	28
Supplies and Materials	8,500	32	8,532	8,515	17
Other Objects	21,627	(2,880)	18,747	18,747	
Total Undist Expend. - Child Study Team	<u>1,368,026</u>	<u>10,580</u>	<u>1,378,606</u>	<u>1,357,609</u>	<u>20,997</u>
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	58,113		58,113	58,113	
Salaries of Other Professional Staff	21,305	(2,287)	19,018	19,016	2
Purchased Professional - Educational Services	4,850	(4,744)	106	106	
Total Undist. Expend.-Improv. of Inst. Serv.	<u>84,268</u>	<u>(7,031)</u>	<u>77,237</u>	<u>77,235</u>	<u>2</u>
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	244,225	11,440	255,665	254,665	1,000
Salaries of Technology Coordinators	109,772	2,314	112,086	108,585	3,501
Other Purchased Services (400-500 series)	116,840	(59,184)	57,656	57,493	163
Supplies and Materials	34,814	(9,209)	25,605	23,881	1,724
Total Undist Expend-Edu. Media Serv./Sch. Library	<u>505,651</u>	<u>(54,639)</u>	<u>451,012</u>	<u>444,624</u>	<u>6,388</u>
Undist. Expend.-Instructional Staff Training Services:					
Salaries of Other Professional Staff	241,038	(12,501)	228,537	228,251	286
Other Salaries	15,504	7,375	22,879	22,879	
Purchased Professional - Educational Service	73,729	(39,072)	34,657	33,202	1,455
Other Purchased Services (400-500 series)	15,000	(5,805)	9,195	8,436	759
Total Undist. Expend.-Instructional Staff Training Services	<u>345,271</u>	<u>(50,003)</u>	<u>295,268</u>	<u>292,768</u>	<u>2,500</u>

DENVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	\$ 407,570	\$ 1,400	\$ 408,970	\$ 408,969	\$ 1
Legal Services	145,922	(62,280)	83,642	24,957	58,685
Audit Fees	64,240	8,880	73,120	40,060	33,060
Architectural/Engineering Services	37,595	6,750	44,345	25,545	18,800
Other Purchased Professional Services	84,395	(12,402)	71,993	66,897	5,096
Communications / Telephone	57,975	(3,942)	54,033	52,288	1,745
BOE Other Purchased Services	4,840	3,306	8,146	2,146	6,000
Other Purch. Serv. (400-500 series other than 530 & 585)	4,200		4,200	2,554	1,646
General Supplies	3,500		3,500	3,282	218
Miscellaneous Expenditures	27,300	(4,962)	22,338	21,630	708
Total Undist. Expend.-Support Serv.-Gen. Admin.	837,537	(63,250)	774,287	648,328	125,959
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	769,580	(13,099)	756,481	756,480	1
Salaries of Secretarial and Clerical Assistants	446,040	(1,017)	445,023	440,883	4,140
Other Purchased Services (400-500 series)	2,500	(2,019)	481	481	
Supplies and Materials	10,500	(2,319)	8,181	8,180	1
Other Objects	14,082	(3,576)	10,506	7,471	3,035
Total Undist. Expend.-Support Serv.-School Adm.	1,242,702	(22,030)	1,220,672	1,213,495	7,177
Undist. Expend. - Central Services:					
Salaries	373,660	6,614	380,274	367,168	13,106
Miscellaneous Purchased Services (400-500 series other than 594)	1,000		1,000	945	55
Supplies and Materials	4,632	(315)	4,317	3,777	540
Other Objects	2,330	315	2,645	2,645	
Total Undist. Expend. - Central Services	381,622	6,614	388,236	374,535	13,701

DENVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Admin. Info. Technology:					
Salaries	\$ 238,390	\$ 26,644	\$ 265,034	\$ 259,570	\$ 5,464
Other Purchased Services (400-500 series)	17,300	(8,780)	8,520	8,138	382
Supplies and Materials	1,500		1,500	550	950
Total Undist. Expend. - Admin. Info. Technology	<u>257,190</u>	<u>17,864</u>	<u>275,054</u>	<u>268,258</u>	<u>6,796</u>
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	239,507	(11,090)	228,417	209,751	18,666
Cleaning, Repair, and Maintenance Services	724,588	100,626	825,214	738,021	87,193
General Supplies	63,452	12,029	75,481	66,273	9,208
Other Objects	17,302		17,302	13,760	3,542
Total Undist. Expend.- Required Maint. for School Facilities	<u>1,044,849</u>	<u>101,565</u>	<u>1,146,414</u>	<u>1,027,805</u>	<u>118,609</u>
Undist. Expend.-Custodial Services:					
Salaries	965,072	(30,648)	934,424	932,995	1,429
Salaries of Non-Instructional Aides	205,865	14,667	220,532	215,089	5,443
Purchased Professional and Technical Services	11,500	(3,967)	7,533	7,480	53
Cleaning, Repair, and Maintenance Services	30,594	7,300	37,894	23,939	13,955
Rental of Land & Bldg. Oth. than Lease Pur. Agrmt.		248,906	248,906	25,000	223,906
Other Purchased Property Services	16,900		16,900	15,802	1,098
Insurance	192,000	31,570	223,570	223,570	
Miscellaneous Purchased Services	33,300	29,994	63,294	62,432	862
General Supplies	54,000	31,100	85,100	84,040	1,060
Energy (Natural Gas)	47,330	189,514	236,844	217,486	19,358
Energy (Electricity)	210,313	99,015	309,328	281,242	28,086
Energy (Oil)	299,800	(299,800)			
Other Objects		190	190	190	
Total Undist. Expend.-Custodial Services	<u>2,066,674</u>	<u>317,841</u>	<u>2,384,515</u>	<u>2,089,265</u>	<u>295,250</u>

DENVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	\$ 95,891	\$ (11,091)	\$ 84,800	\$ 80,282	\$ 4,518
General Supplies	12,073	8,591	20,664	20,664	
Total Care And Upkeep Of Grounds	<u>107,964</u>	<u>(2,500)</u>	<u>105,464</u>	<u>100,946</u>	<u>4,518</u>
Security:					
Salaries	215,216		215,216	184,076	31,140
Purchased Professional and Technical Services	18,300	(3,376)	14,924	13,879	1,045
General Supplies	2,000	376	2,376	624	1,752
Total Security	<u>235,516</u>	<u>(3,000)</u>	<u>232,516</u>	<u>198,579</u>	<u>33,937</u>
Total Undist. Expend.- Operations And Maint. of Plant Services	<u>3,455,003</u>	<u>413,906</u>	<u>3,868,909</u>	<u>3,416,595</u>	<u>452,314</u>
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.	1,144,107	(42,789)	1,101,318	1,057,038	44,280
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	142,000	(22,890)	119,110	114,791	4,319
Cleaning, Repair, and Maint. Services	27,500	(6,000)	21,500	15,940	5,560
Lease Purchase Payments - School Buses	222,874	(222,874)			
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	77,079	(5,000)	72,079	56,369	15,710
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSAs	555,000	(5,195)	549,805	469,409	80,396
Misc. Purchased Serv. - Transportation	38,900	(2,200)	36,700	35,869	831
General Supplies	192,055	56,499	248,554	237,806	10,748
Other Objects	142,318	88,501	230,819	120,767	110,052
Total Undist. Expend.-Student Trans. Serv.	<u>2,541,833</u>	<u>(161,948)</u>	<u>2,379,885</u>	<u>2,107,989</u>	<u>271,896</u>

DENVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 586,602	\$ 31,599	\$ 618,201	\$ 618,201	
Other Retirement Contributions - PERS	563,000	111,927	674,927	672,974	\$ 1,953
Other Retirement Contributions - Regular	55,000		55,000	36,938	18,062
Unemployment Compensation	98,808	(77,000)	21,808		21,808
Workers Compensation	193,000	29,487	222,487	222,484	3
Health Benefits	6,184,262	(302,724)	5,881,538	5,812,089	69,449
Tuition Reimbursement	55,000	10,960	65,960	54,899	11,061
Other Employee Benefits	95,000	(62,061)	32,939	15,478	17,461
TOTAL UNALLOCATED BENEFITS	7,830,672	(257,812)	7,572,860	7,433,063	139,797
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				1,291,774	(1,291,774)
TPAF Pension Contributions (Non-Budgeted)				4,850,054	(4,850,054)
TPAF Non-Contributory Insurance (Non-Budgeted)				67,289	(67,289)
TPAF Long-Term Disability Insurance (Non-Budgeted)				2,105	(2,105)
Reimbursed TPAF Social Security Contributions				1,051,038	(1,051,038)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				7,262,260	(7,262,260)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	7,830,672	(257,812)	7,572,860	14,695,323	(7,122,463)
TOTAL UNDISTRIBUTED EXPENDITURES	21,822,557	(421,543)	21,401,014	27,564,945	(6,163,931)
TOTAL GENERAL CURRENT EXPENSE	37,865,718	(107,610)	37,758,108	43,574,650	(5,816,542)

DENVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Undistributed:					
School Buses - Regular	\$ 222,874	\$ 222,874	\$ 222,874	\$ 222,874	
Total Equipment	222,874	222,874	222,874	222,874	
Facilities Acquisition and Construction Serv.:					
Other Purchased Prof. and Tech. Services	\$ 19,950		19,950	4,950	\$ 15,000
Construction Services	68,033	1,580,650	1,274,461	411,384	863,077
Assessment for Debt Service on SDA Funding	4,704		4,704	4,704	
Total Facilities Acquisition and Const. Serv.	92,687	1,580,650	1,299,115	421,038	878,077
Assets Acquired Under Leases (Non-Budgeted):					
Regular Programs- Equipment				20,803	(20,803)
Total Assets Acquired Under Leases (Non-Budgeted)				20,803	(20,803)
TOTAL CAPITAL OUTLAY	92,687	1,803,524	1,521,989	664,715	857,274
Transfer of Funds to Charter Schools	65,000	27,931	92,931	92,931	
TOTAL EXPENDITURES	38,023,405	1,723,845	39,373,028	44,332,296	(4,959,268)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(2,501,847)	(1,723,845)	(3,851,470)	(995,372)	2,856,098
Other Financing Sources/(Uses):					
Leases (Non-budgeted)				20,803	20,803
Transfers to Cover Deficit (Enterprise Fund)	(65,000)		(65,000)	(53,000)	12,000
Capital Reserve - Transfer to Capital Projects Fund	(1,580,650)	1,580,650	(374,222)	(374,222)	
Total Other Financing Sources/(Uses)	(1,645,650)	1,580,650	(439,222)	(406,419)	32,803

DENVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing Uses	\$ (4,147,497)	\$ (143,195)	\$ (4,290,692)	\$ (1,401,791)	\$ 2,888,901
Fund Balance, July 1	11,185,136		11,185,136	11,185,136	
Fund Balance, June 30	\$ 7,037,639	\$ (143,195)	\$ 6,894,444	\$ 9,783,345	\$ 2,888,901
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2024-2025				\$ 200,000	
Excess Surplus - Restricted For 2023-2024				200,000	
Capital Reserve				5,525,669	
Maintenance Reserve				1,500,711	
Unemployment Compensation				673,339	
Assigned Fund Balance:					
Year End Encumbrances				669,072	
Unassigned Fund Balance				1,014,554	
				9,783,345	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis			(240,099)		
Fund Balance per Governmental Funds (GAAP)				\$ 9,543,246	

DENVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 362,982	\$ 578,090	\$ 941,072	\$ 747,256	\$ (193,816)
State Sources		44,309	44,309	44,269	(40)
Local Sources		101,477	101,477	96,000	(5,477)
Total Revenues	<u>362,982</u>	<u>723,876</u>	<u>1,086,858</u>	<u>887,525</u>	<u>(199,333)</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers		138,352	138,352	56,896	81,456
Purchased Professional and Educational Services		9,904	9,904	6,304	3,600
Other Purchased Services		41,538	41,538	40,485	1,053
Tuition	306,939	76,235	383,174	383,174	
General Supplies	20,676	167,484	188,160	106,566	81,594
Total Instruction	<u>327,615</u>	<u>433,513</u>	<u>761,128</u>	<u>593,425</u>	<u>167,703</u>
Support Services					
Purchased Professional and Technical Services	10,186	112,202	122,388	104,922	17,466
Purchased Professional Educational Services	18,518	(16,518)	2,000	790	1,210
Other Purchased Professional Services		40,000	40,000	28,021	11,979
Supplies and Materials	6,663	27,806	34,469	33,494	975
Student Activities		99,459	99,459	99,459	
Total Support Services	<u>35,367</u>	<u>262,949</u>	<u>298,316</u>	<u>266,686</u>	<u>31,630</u>
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment		37,649	37,649	37,649	
Total Facilities Acquisition and Construction Services		<u>37,649</u>	<u>37,649</u>	<u>37,649</u>	
Total Expenditures	<u>362,982</u>	<u>734,111</u>	<u>1,097,093</u>	<u>897,760</u>	<u>199,333</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ -0-</u>	<u>\$ (10,235)</u>	<u>\$ (10,235)</u>	<u>\$ (10,235)</u>	<u>\$ -0-</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 43,336,924	\$ 887,525
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, while the GAAP Basis does not:		
Current Year Encumbrances		(34,101)
Cancellation of Prior Year Encumbrances		(92)
Prior Year Encumbrances		44,641
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	192,575	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(240,099)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 43,289,400	\$ 897,973
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 44,332,296	\$ 897,760
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		10,448
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 44,332,296	\$ 908,208

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote by 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. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from 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

DENVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Every Student Succeeds Act				CRRSA		
	Title I	Title II, Part A	Title III	Title IV	ESSER II	Learning Acceleration	Mental Health
REVENUE:							
Local Sources							
State Sources							
Federal Sources	\$ 53,797	\$ 22,456	\$ 2,387	\$ 15,062	\$ 14,059	\$ 17,657	\$ 21,382
Total Revenue	53,797	22,456	2,387	15,062	14,059	17,657	21,382
EXPENDITURES:							
Instruction:							
Salaries of Teachers							
Purchased Professional and Technical Services			900				
Other Purchased Services	35,842						
Tuition							
General Supplies	17,955		697	15,062	14,059	17,657	
Total Instruction	53,797		1,597	15,062	14,059	17,657	
Support Services:							
Purchased Professional and Technical Services		10,532					21,382
Purchased Professional Educational Services			790				
Other Purchased Professional Services							
Supplies and Materials		11,924					
Student Activities							
Total Support Services		22,456	790				21,382
Facilities Acquisition:							
Non-Instructional Equipment							
Total Facilities Acquisition							
Total Expenditures	\$ 53,797	\$ 22,456	\$ 2,387	\$ 15,062	\$ 14,059	\$ 17,657	\$ 21,382

DENVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	American Rescue Plan					
	Accelerated Learning		Evidence-Based		NJSS Mental Health Support Staffing	
			Summer Learning	Beyond the School Day		
REVENUE:	ESSER III	\$	\$	\$	\$	\$
Local Sources						
State Sources						
Federal Sources		72,748	\$	16,071	\$	42,605
Total Revenue	62,870	72,748		16,071		42,605
EXPENDITURES:						
Instruction:						
Salaries of Teachers	56,896					
Purchased Professional Technical Services				4,643		
Other Purchased Services						
Tuition						
General Supplies	5,974			11,428		375
Total Instruction	62,870			16,071		375
Support Services:						
Purchased Professional Technical Services		23,157				42,605
Purchased Professional Educational Services						
Other Purchased Professional Services		28,021				
Supplies and Materials		21,570				
Student Activities						
Total Support Services		72,748				42,605
Facilities Acquisition:						
Construction Services						
Total Facilities Acquisition						
Total Expenditures	62,870	\$	72,748	\$	16,071	\$ 42,605
						\$ 7,246

DENVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	I.D.E.A.	SDA Emergent Maintenance & Capital Needs	School Climate Change Pilot	Local Grants	Student Activities	Totals
	Basic	Preschool				
REVENUE:						
Local Sources				\$ 6,776	\$ 89,224	\$ 96,000
State Sources		\$ 37,649	\$ 6,620			44,269
Federal Sources	\$ 374,996	\$ 23,545				747,256
Total Revenue	374,996	23,545	6,620	6,776	89,224	887,525
EXPENDITURES:						
Instruction:						
Salaries of Teachers						56,896
Purchased Professional Technical Services		5,404				6,304
Other Purchased Services						40,485
Tuition	374,996	8,178	6,620	6,776		383,174
General Supplies		9,963				106,566
Total Instruction	374,996	23,545	6,620	6,776		593,425
Support Services:						
Purchased Professional Technical Services						104,922
Purchased Professional Educational Services						790
Other Purchased Services						28,021
Supplies and Materials						33,494
Student Activities					99,459	99,459
Total Support Services					99,459	266,686
Facilities Acquisition:						
Construction Services		37,649				37,649
Total Facilities Acquisition		37,649				37,649
Total Expenditures	\$ 374,996	\$ 23,545	\$ 6,620	\$ 6,776	\$ 99,459	\$ 897,760

CAPITAL PROJECTS FUND

DENVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Revenue and Other Financing Sources:	
Federal Sources - SSB-VEEVR Grant	\$ 2,233,125
Transfer from Capital Reserve	<u>374,222</u>
Total Revenue and Other Financing Sources	<u>2,607,347</u>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	169,507
Other Purchased Services	30,425
Construction Services	<u>750,560</u>
Total Expenditures and Other Financing Uses	<u>950,492</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under)	
Expenditures and Other Financing Uses	1,656,855
Fund Balance - Beginning of Year	<u>409,169</u>
Fund Balance - End of Year	<u><u>\$ 2,066,024</u></u>
<u>Recapitulation:</u>	
Committed	\$ 1,945,100
Committed - Year-End Encumbrances	<u>120,924</u>
	2,066,024
Reconciliation to Governmental Funds Statement (GAAP):	
Grants not Recognized on GAAP Basis	<u>(2,642,294)</u>
Fund Balance / (Deficit) per Governmental Funds (GAAP)	<u><u>\$ (576,270)</u></u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HVAC AT VALLEYVIEW MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Federal Sources - SSB-VEEVR Grant	\$ 464,813		\$ 464,813	\$ 464,813
Transfer from Capital Reserve		\$ 374,222	374,222	374,222
Total Revenue and Other Financing Sources	464,813	374,222	839,035	839,035
Expenditures and Other Financing Uses:				
Other Purchased Services	55,644	30,425	86,069	88,475
Construction Services		750,560	750,560	750,560
Total Expenditures and Other Financing Uses	55,644	780,985	836,629	839,035
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>\$ 409,169</u>	<u>\$ (406,763)</u>	<u>\$ 2,406</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	SSB-VEEVR #67639
Grant Date	05/01/22
Original Authorized Cost	\$ 464,813
Additional Authorized Cost	\$ 374,222
Revised Authorized Cost	<u>\$ 839,035</u>
Percentage Completion	99.71%
Original Target Completion Date	02/11/23
Revised Target Completion Date	08/11/23

DENVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
LAKEVIEW ELEMENTARY HVAC PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Federal Sources - SSB-VEEVR Grant		\$ 2,233,125	\$ 2,233,125	\$ 2,233,125
Transfer from Capital Reserve				744,375
Total Revenue and Other Financing Sources		<u>2,233,125</u>	<u>2,233,125</u>	<u>2,977,500</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services		169,507	169,507	288,025
Construction Services				2,689,475
Total Expenditures and Other Financing Uses		<u>169,507</u>	<u>169,507</u>	<u>2,977,500</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>\$ -0-</u>	<u>\$ 2,063,618</u>	<u>\$ 2,063,618</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	SSB-VEEVR #68355
Grant Date	11/07/22
Original Authorized Cost	\$ 2,977,500
Change Orders	\$ -0-
Revised Authorized Cost	<u>\$ 2,977,500</u>
Percentage Completion	5.69%
Original Target Completion Date	11/07/23

PROPRIETARY FUNDS

DENVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 44,363
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Accounts Receivable:

Federal	1,142
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Total Current Assets	45,505
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Non-Current Assets:

Capital Assets	189,797
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Less: Accumulated Depreciation	(73,239)
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Total Non-Current Assets	116,558
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Total Assets	162,063
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LIABILITIES:

Current Liabilities:

Interfund Payable - General Fund	26,739
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Total Current Liabilities	26,739
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Total Liabilities	26,739
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NET POSITION:

Investment in Capital Assets	116,558
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Unrestricted	18,766
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Total Net Position	\$ 135,324
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DENVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Operating Revenue:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	\$ 20,048
Total Operating Revenue	<u>20,048</u>
Operating Expenses:	
Cost of Sales - Reimbursable Program	76,945
Depreciation	13,704
Miscellaneous Expenses	217
Total Operating Expenses	<u>90,866</u>
Operating Loss	<u>(70,818)</u>
Non-Operating Revenue:	
Federal Sources:	
Special Milk Program	18,228
Local Sources:	
Interest Revenue	220
Total Non-Operating Revenue	<u>18,448</u>
Change in Net Position Before Transfer	(52,370)
Transfer - General Fund	<u>53,000</u>
Change in Net Position After Transfer	630
Net Position - Beginning of Year	<u>134,694</u>
Net Positon - End of Year	<u><u>\$ 135,324</u></u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 20,048
Payments to Suppliers	<u>(77,162)</u>
Net Cash Used for Operating Activities	<u>(57,114)</u>
Cash Flows from Investing Activities:	
Interest Revenue	<u>220</u>
Net Cash Provided by Investing Activities	<u>220</u>
Cash Flows from Noncapital Financing Activities:	
Federal Sources - Special Milk Program	18,169
Interfund Advanced - General Fund	11,365
Board Contribution - General Fund	<u>53,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>82,534</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	<u>(13,560)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(13,560)</u>
Net Increase in Cash and Cash Equivalents	12,080
Cash and Cash Equivalents, July 1	<u>32,283</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 44,363</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (70,818)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	<u>13,704</u>
Net Cash Used for Operating Activities	<u><u>\$ (57,114)</u></u>

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

DENVILLE TOWNSHIP SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2022</u>	<u>Retired or Matured</u>	<u>Balance June 30, 2023</u>
Energy Conservation Measures	2.31%	\$ 1,895,428	<u>\$ 1,146,296</u>	<u>\$ 88,608</u>	<u>\$ 1,057,688</u>
			<u>\$ 1,146,296</u>	<u>\$ 88,608</u>	<u>\$ 1,057,688</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES

Purpose	Interest Rate	Original Issue	Balance July 1, 2022	Issued	Matured	Balance June 30, 2023
E-Studio Copier	2.50%	\$ 107,107	\$ 102,267		\$ 19,762	\$ 82,505
Savin Digital Copier	6.80%	6,880	1,814		1,814	
Savin Copier	4.35%	70,136	43,832		14,003	29,829
Saint Mary's Building Rental	0.25%	719,069	356,573		356,573	
Toshiba Estudio Copier	6.80%	20,803		\$ 20,803	2,089	18,714
			<u>\$ 504,486</u>	<u>\$ 20,803</u>	<u>\$ 394,241</u>	<u>\$ 131,048</u>

STATISTICAL SECTION
(UNAUDITED)

This part of the School’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 School’s overall financial health.

Contents

	<u>Exhibit</u>
Financial Trends 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.

DENVILLE TOWNSHIP SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Net Investment in Capital Assets	\$ 13,998,457	\$ 14,776,654	\$ 10,703,350	\$ 12,286,161	\$ 12,945,891	\$ 13,641,132	\$ 13,335,249	\$ 13,375,357	\$ 14,752,731	\$ 15,775,572
Restricted	1,783,615	2,712,774	3,645,996	4,633,333	3,853,965	5,185,436	7,919,891	8,659,251	7,138,433	8,147,393
Unrestricted/(Deficit)	(8,645,202)	(8,716,080)	(6,757,468)	(9,552,690)	(8,258,689)	(9,046,148)	(9,485,812)	(7,577,018)	(5,728,638)	(7,716,665)
Total Governmental Activities Net Position	\$ 7,136,870	\$ 8,773,348	\$ 7,591,878	\$ 7,366,804	\$ 8,541,167	\$ 9,780,420	\$ 11,769,328	\$ 14,457,590	\$ 16,162,526	\$ 16,206,300
Business-Type Activities										
Investment in Capital Assets	\$ 10,827	\$ 8,159	\$ 60,064	\$ 52,898	\$ 48,855	\$ 145,821	\$ 134,591	\$ 128,146	\$ 116,702	\$ 116,558
Unrestricted	7,961	6,125	1,705	7,780	9,895	12,635	1,736	8,636	17,992	18,766
Total Business-Type Activities Net Position	\$ 18,788	\$ 14,284	\$ 61,769	\$ 60,678	\$ 58,750	\$ 158,456	\$ 136,327	\$ 136,782	\$ 134,694	\$ 135,324
District-Wide:										
Net Investment in Capital Assets	\$ 14,009,284	\$ 14,784,813	\$ 10,763,414	\$ 12,339,059	\$ 12,994,746	\$ 13,786,953	\$ 13,469,840	\$ 13,503,503	\$ 14,869,433	\$ 15,892,130
Restricted	1,783,615	2,712,774	3,645,996	4,633,333	3,853,965	5,185,436	7,919,891	8,659,251	7,138,433	8,147,393
Unrestricted/(Deficit)	(8,637,241)	(8,709,955)	(6,755,763)	(9,544,910)	(8,248,794)	(9,033,513)	(9,484,076)	(7,568,382)	(5,710,646)	(7,697,899)
Total District Net Position	\$ 7,155,658	\$ 8,787,632	\$ 7,653,647	\$ 7,427,482	\$ 8,599,917	\$ 9,938,876	\$ 11,905,655	\$ 14,594,372	\$ 16,297,220	\$ 16,341,624

Source: School District Financial Reports

DENVILLE TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 12,213,187	\$ 14,515,136	\$ 15,496,872	\$ 18,115,297	\$ 18,492,272	\$ 18,796,075	\$ 16,032,026	\$ 16,729,932	\$ 19,344,407	\$ 17,232,783
Special Education	4,165,578	5,050,466	5,251,149	6,415,138	7,304,815	7,124,219	6,870,793	7,133,082	8,688,075	6,791,410
Other Special Instruction	518,460	609,585	621,163	691,902	858,522	691,427	576,033	758,597	926,545	700,197
Other Instruction	186,148	247,618	261,729	367,574	334,386	380,798	305,885	130,673	325,021	200,228
Support Services:										
Tuition	576,643	681,191	753,046	713,191	819,361	783,168	380,013	460,543	471,120	928,847
Student & Instruction Related Services	3,979,099	3,762,142	3,765,102	4,110,774	3,965,621	4,870,066	4,765,790	4,672,319	5,301,041	5,672,971
General Administrative Services	587,345	804,991	966,576	837,242	905,336	847,596	1,023,060	984,119	1,075,265	932,877
School Administrative Services	1,419,211	1,647,044	1,864,563	2,119,772	2,251,688	2,343,562	2,069,539	2,090,192	2,066,954	1,840,745
Central Services	377,014	430,332	450,713	477,381	456,972	505,775	477,332	483,968	510,578	516,599
Administrative Information Technology	284,024	401,695	458,409	417,008	445,885	361,490	377,018	375,088	368,565	346,189
Plant Operations And Maintenance	2,118,264	2,146,437	2,424,721	2,754,553	2,619,201	2,815,321	3,384,301	3,337,019	4,034,209	3,964,706
Pupil Transportation	2,194,261	2,299,967	2,412,540	2,673,210	2,557,365	2,851,468	2,582,921	2,237,351	2,697,931	2,958,081
Capital Outlay	125,361	458,195	560,502	409,050	237,103	43,027	4,704	251,242	469,505	4,703
Transfer to Charter School	104,689	146,064	124,953	85,768	77,596	150,082	40,268	24,451	64,207	92,931
Interest On Long-Term Debt	91,935	73,026	53,301	33,701	14,176					
Total Governmental Activities Expenses	28,941,219	33,273,889	35,465,339	40,221,561	41,340,299	42,564,073	38,889,682	39,668,576	46,343,423	42,183,267
Business-type activities:										
Food Service	30,936	44,233	57,089	35,869	71,580	67,998	66,226	38,074	121,028	90,866
Total Business-Type Activities Expense	30,936	44,233	57,089	35,869	71,580	67,998	66,226	38,074	121,028	90,866
Total District Expenses	28,972,155	33,318,122	35,522,428	40,257,430	41,411,879	42,632,071	38,955,908	39,706,650	46,464,451	42,274,133
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Regular Instruction	123,486	237,466	169,181	118,287	239,715	138,481	121,684	27,970	91,020	68,386
Student and Instruction Related Services								3,960	77,622	89,224
Operating Grants and Contributions	4,065,218	6,921,377	8,278,249	10,602,542	12,195,834	12,670,361	8,856,878	9,867,150	15,271,224	9,059,940
Capital Grants and Contributions		700,930								
Total Governmental Activities Program Revenues	4,188,704	7,859,773	8,447,430	10,720,829	12,435,549	12,808,842	8,978,562	9,899,080	15,439,866	9,217,550
Business-Type Activities:										
Charges For Services:										
Food Service	13,648	22,219	11,820	12,280	14,805	14,102	13,126	2,504	44,403	20,048
Operating Grants and Contributions	17,882	19,260	19,450	19,441	19,050	16,445	11,699	7,896	19,354	18,228
Capital Grants and Contributions			59,839							
Total Business Type Activities Program Revenues	31,530	41,479	91,109	31,721	33,855	30,547	24,825	10,400	63,757	38,276
Total District Program Revenues	4,220,234	7,901,252	8,538,539	10,752,550	12,469,404	12,839,389	9,003,387	9,909,480	15,503,623	9,255,826

DENVILLE TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue Governmental Activities	\$ (24,752,515)	\$ (25,414,116)	\$ (27,017,909)	\$ (29,500,732)	\$ (28,904,750)	\$ (29,755,231)	\$ (29,911,120)	\$ (29,769,496)	\$ (30,903,557)	\$ (32,965,717)
Business-Type Activities	594	(2,754)	34,020	(4,148)	(37,725)	(37,451)	(41,401)	(27,674)	(57,271)	(52,590)
Total District-Wide Net Expense	(24,751,921)	(25,416,870)	(26,983,889)	(29,504,880)	(28,942,475)	(29,792,682)	(29,952,521)	(29,797,170)	(30,960,828)	(33,018,307)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	26,231,482	26,318,000	27,266,482	28,390,548	29,398,723	30,557,436	31,168,585	32,324,284	32,489,754	32,735,008
Taxes Levied for Debt Service	439,545	429,737	411,550	397,176	379,137	240,242				
Federal and State Aid not Restricted	159,830	189,903	183,290	198,421	193,701	98,562	10,741	25,609	17,045	27,717
Interest and Miscellaneous Income	197,818	112,954	734,111	258,113	116,945	253,463	224,826	114,283	123,560	299,766
Restricted Miscellaneous Revenue			37,180	67,051	26,318	17,885	26,220	26,220	33,134	
Transfers				(39,044)	(35,711)	(36,091)	(19,038)	(28,000)	(55,000)	(53,000)
Total Governmental Activities	27,028,675	27,050,594	28,632,613	29,272,265	30,079,113	31,131,497	31,385,114	32,462,396	32,608,493	33,009,491
Business-Type Activities:										
Interest and Miscellaneous Income				86	86	228	234	129	183	220
Capital Contributions/(Disposals)	(184)	(1,750)		(3,123)						
Transfers					35,711	36,091	19,038	28,000	55,000	53,000
Total Business-Type Activities	(184)	(1,750)		(3,037)	35,797	36,319	19,272	28,129	55,183	53,220
Total District-Wide	27,028,491	27,048,844	28,632,613	29,269,228	30,114,910	31,167,816	31,404,386	32,490,525	32,663,676	33,062,711
Change in Net Position:										
Governmental Activities	2,276,160	1,636,478	1,614,704	(228,467)	1,174,363	1,376,266	1,473,994	2,692,900	2,692,900	43,774
Business-Type Activities	410	(4,504)	34,020	(7,185)	(1,928)	(1,132)	(22,129)	455	455	630
Total District	\$ 2,276,570	\$ 1,631,974	\$ 1,648,724	\$ (235,652)	\$ 1,172,435	\$ 1,375,134	\$ 1,451,865	\$ 2,693,355	\$ 2,693,355	\$ 44,404

Source: School District Financial Reports

DENVILLE TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 UNAUDITED
 (modified accrual basis of accounting)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable										\$ 248,906
Restricted	\$ 1,783,614	\$ 2,712,773	\$ 3,645,995	\$ 4,633,332	\$ 3,853,964	\$ 5,185,436	\$ 7,848,402	\$ 8,586,691	\$ 7,080,524	\$ 8,099,719
Assigned	220,854	138,419	1,072,407	585,151	2,304,337	1,568,022	1,292,041	2,099,416	2,367,047	669,072
Unassigned	574,502	539,737	575,219	598,468	588,535	700,690	488,771	1,340,779	1,544,990	525,549
Total General Fund	\$ 2,578,970	\$ 3,390,929	\$ 5,293,621	\$ 5,816,951	\$ 6,746,836	\$ 7,454,148	\$ 9,629,214	\$ 12,026,886	\$ 10,992,561	\$ 9,543,246
All Other Governmental Funds:										
Committed	\$ 187,225		\$ 1,297,299	\$ 7,453						
Restricted	1	1	1	1	1		\$ 71,489	\$ 72,560	\$ 57,909	\$ 47,674
Unassigned/(Deficit)										(576,270)
Total All Other Governmental Funds/(Deficit)	\$ 187,226	\$ 1	\$ 1,297,300	\$ 7,454	\$ 1	\$ -0-	\$ 71,489	\$ 72,560	\$ 57,909	\$ (528,596)
Total Governmental Funds:										
Nonspendable										\$ 248,906
Restricted	\$ 1,783,615	\$ 2,712,774	\$ 3,645,996	\$ 4,633,333	\$ 3,853,965	\$ 5,185,436	\$ 7,919,891	\$ 8,659,251	\$ 7,138,433	\$ 8,147,393
Committed	187,225		1,297,299	7,453						
Assigned	220,854	138,419	1,072,407	585,151	2,304,337	1,568,022	1,292,041	2,099,416	2,367,047	669,072
Unassigned/(Deficit)	574,502	539,737	575,219	598,468	588,535	700,690	488,771	1,340,779	1,544,990	(50,721)
Total Governmental Funds	\$ 2,766,196	\$ 3,390,930	\$ 6,590,921	\$ 5,824,405	\$ 6,746,837	\$ 7,454,148	\$ 9,700,703	\$ 12,099,446	\$ 11,050,470	\$ 9,014,650

Source: School District Financial Reports

DENVILLE TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Tax Levy	\$26,671,027	\$26,747,737	\$27,678,032	\$28,787,724	\$29,777,860	\$30,797,678	\$31,168,585	\$32,324,284	\$32,489,754	\$32,735,008
Tuition	123,486	237,466	169,181	118,287	239,715	138,481	121,684	27,970	91,020	68,386
Transportation Fees										
Miscellaneous	203,259	122,289	771,887	328,397	146,128	281,042	230,317	157,114	239,116	395,766
State Sources	3,674,049	4,727,427	4,449,412	4,841,471	5,424,694	6,161,361	6,087,207	7,361,097	9,496,424	10,198,171
Federal Sources	545,558	469,670	534,722	487,279	467,358	477,009	436,503	608,399	902,843	790,042
Total Revenue	31,217,379	32,304,589	33,603,234	34,563,158	36,055,755	37,855,571	38,044,296	40,478,864	43,219,157	44,187,373
Expenditures:										
Instruction:										
Regular Instruction	8,840,406	9,048,089	8,734,158	9,132,694	8,886,776	9,327,774	9,092,984	9,478,273	10,556,657	11,368,087
Special Education Instruction	2,984,792	3,085,968	3,056,855	3,397,465	3,709,601	3,641,436	4,089,450	4,269,632	4,630,049	4,233,007
Other Special Instruction	351,077	348,693	321,096	320,143	377,620	313,891	303,417	399,636	467,366	433,725
Other Instruction	129,541	153,128	142,557	183,934	159,400	188,754	169,835	69,180	239,791	170,112
Support Services:										
Tuition	576,643	681,191	753,046	713,191	819,361	783,168	380,013	460,543	471,120	928,847
Student & Instruction Related Services	3,050,538	3,128,537	3,068,436	3,185,758	3,103,727	3,730,793	3,738,014	3,686,184	4,029,074	4,586,908
General Administrative Services	420,241	611,344	767,811	603,288	685,524	592,172	693,546	614,050	722,787	648,328
School Administrative Services	987,302	1,028,167	1,057,516	1,098,689	1,121,381	1,178,251	1,168,675	1,190,630	1,162,765	1,213,495
Central Services	290,978	286,382	308,923	326,221	324,909	329,636	336,880	342,685	374,409	374,535
Administrative Information Technology	262,479	281,249	310,904	293,970	222,470	215,857	207,723	218,608	223,124	268,258
Plant Operations And Maintenance	1,943,730	1,912,041	1,940,526	2,122,614	2,201,036	2,230,607	2,785,317	2,602,772	3,390,721	3,416,595
Pupil Transportation	1,703,483	1,605,048	1,513,595	1,536,640	1,659,262	1,851,796	1,690,172	1,672,910	1,912,807	2,107,989
Unallocated Benefits	7,069,087	7,626,778	8,450,982	9,114,694	10,128,679	11,006,767	11,162,947	11,981,432	13,395,272	14,695,323
Debt Service:										
Principal	490,000	495,000	490,000	490,000	485,000	315,000				
Interest And Other Charges	109,375	91,000	71,200	51,600	32,000	12,600				
Capital Outlay	2,449,574	1,358,269	1,217,779	2,720,202	1,103,270	1,243,585	434,376	1,041,135	2,680,091	1,652,856
Transfer to Charter Schools	104,689	146,064	124,953	85,768	77,596	150,082	40,268	24,451	64,207	92,931
Total Expenditures	31,763,935	31,886,948	32,330,337	35,376,871	35,097,612	37,112,169	36,293,617	38,052,121	44,320,240	46,190,996

DENVILLE TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess/(Deficiency) Of Revenues Over/(Under) Expenditures	\$ (546,556)	\$ 417,641	\$ 1,272,897	\$ (813,713)	\$ 958,143	\$ 743,402	\$ 1,750,679	\$ 2,426,743	\$ (1,101,083)	\$ (2,003,623)
Other Financing Sources/(Uses):										
Leases (Non-Budgeted)	452,131	207,093	1,940,559	86,241					107,107	20,803
Financed Purchases (Non-Budgeted) Transfers			(13,465)	(39,044)	(35,711)	(36,091)	(19,038)	(28,000)	(55,000)	(53,000)
Total Other Financing Sources/(Uses)	452,131	207,093	1,927,094	47,197	(35,711)	(36,091)	(19,038)	(28,000)	(55,000)	(32,197)
Net Change In Fund Balances	\$ (94,425)	\$ 624,734	\$ 3,199,991	\$ (766,516)	\$ 922,432	\$ 707,311	\$ 1,731,641	\$ 2,398,743	\$ (1,156,083)	\$ (2,035,820)
Debt Service As A Percentage Of Noncapital Expenditures	2.04%	1.92%	1.80%	1.66%	1.52%	0.91%	0.00%	0.00%	0.00%	0.00%

DENVILLE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Interest on Investments	Tuition	Prior Year Refunds	Other	Total
2014	\$ 8,036	\$ 123,486	\$ 133,135	\$ 56,647	\$ 321,304
2015	6,034	237,466	75,239	31,681	350,420
2016	16,169	169,181	545,265	207,872	938,487
2017	44,354	118,287	9,724	269,326	441,691
2018	51,186	239,715	5,714	86,239	382,854
2019	105,801	138,481	37,302	128,245	409,829
2020	119,038	121,684	8,743	97,045	346,510
2021	56,547	27,970	38,770	45,186	168,473
2022	30,440	91,020	50,987	75,267	247,714
2023	79,106	68,386	32,756	187,904	368,152

Source: Denville Township School District records

DENVERVILLE TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2013	\$ 38,102,700	\$ 1,839,357,500	\$ 4,302,100	\$ 77,200	\$ 298,019,500	\$ 65,894,200	\$ 7,579,600	\$ 2,253,332,800	\$ 209,606,600	\$ -0-	\$ 2,253,332,800	\$ 1.18	\$ 3,228,291,771
2014	37,165,900	1,836,196,200	4,028,900	81,200	269,428,500	66,056,700	7,579,600	2,220,537,000	213,597,600	-0-	2,220,537,000	1.20	3,126,969,683
2015	35,800,700	1,841,849,600	4,049,500	81,200	269,647,900	64,280,400	7,579,600	2,223,288,900	213,333,200	-0-	2,223,288,900	1.22	3,250,387,268
2016	* 39,986,400	2,422,594,000	4,869,400	61,200	485,899,900	97,249,100	14,896,000	3,065,556,000	265,875,000	-0-	3,065,556,000	0.86	3,375,616,140
2017	45,669,600	2,424,023,800	4,869,400	79,900	485,680,300	97,846,100	14,896,000	3,073,065,100	268,916,600	-0-	3,073,065,100	0.95	3,300,059,059
2018	33,042,500	2,436,447,100	3,923,000	86,800	484,202,300	97,746,100	14,896,000	3,070,343,800	274,761,800	-0-	3,070,343,800	0.92	3,314,151,624
2019	32,059,100	2,444,368,800	4,379,300	86,800	484,188,300	97,629,300	14,896,000	3,077,607,600	276,050,700	-0-	3,077,607,600	1.01	3,327,546,997
2020	31,170,900	2,449,740,600	4,379,300	80,700	485,843,100	96,019,300	14,896,000	3,082,129,900	276,753,200	-0-	3,082,129,900	1.03	3,325,516,358
2021	29,691,800	2,463,935,300	4,058,300	80,400	492,261,800	95,501,300	14,896,000	3,100,424,900	278,321,400	-0-	3,100,424,900	1.05	3,390,301,916
2022	41,200,800	2,472,746,900	4,058,300	80,400	433,852,200	95,456,100	30,396,000	3,077,790,700	263,727,800	-0-	3,077,790,700	1.06	3,464,015,112

* A revaluation occurred in this year.

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

Source: Municipal Tax Assessor

DENVILLE TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Year Ended Dec. 31,	Denville Township School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate			Township of Denville	Morris County	Morris Hills Regional School	
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct				
2013	\$ 1.16	\$ 0.02	\$ 1.18	\$ 0.58	\$ 0.36	\$ 0.85	\$ 2.97
2014	1.18	0.02	1.20	0.62	0.36	0.88	3.06
2015	1.21	0.02	1.22	0.63	0.36	0.91	3.12
2016	* 0.85	0.01	0.86	0.92	0.28	0.71	2.77
2017	0.94	0.01	0.95	0.48	0.28	0.73	2.44
2018	0.91	0.01	0.92	0.46	0.26	0.65	2.29
2019	1.01	-0-	1.01	0.50	0.28	0.70	2.49
2020	1.03	-0-	1.03	0.50	0.28	0.70	2.51
2021	1.05	-0-	1.05	0.51	0.29	0.70	2.55
2022	1.06	-0-	1.06	0.52	0.29	0.71	2.57

* A revaluation occurred in this year.

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

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: Municipal Tax Collector and School Business Administrator

DENVILLE TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2022			2013		
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Denville Union Hill LLC		\$ 33,896,000	1.09%	St. Francis Life Care Corp	\$ 47,650,000	1.50%
Springpoint at Denville Inc		31,194,100	1.01%	Shoppes at Union Hill	21,966,000	1.38%
MPT of Morris LLC		27,335,000	0.88%	Tamara Enterprises	12,112,200	1.21%
Tamara Enterprises		18,345,000	0.59%	Rockaway River Country Club	8,767,600	0.81%
Denville Commons LLC		16,300,000	0.53%	Individual Taxpayer #1	6,737,000	0.72%
EV Equities I LLC		15,500,000	0.50%	Denville Station, LLC	5,100,000	0.69%
Springpoint Realty Inc		13,726,800	0.44%	Denville West Main, LLC	4,900,000	0.61%
TEJ Denville Hospitality LLC		10,710,000	0.35%	Grecco Realty LLC	4,844,100	0.48%
Rockaway River Country Club		10,027,200	0.32%	WP Properties, LLC	4,790,000	0.44%
Pinefield Manor LLC		9,758,000	0.31%	Morris Ave Denville S S, LLC	4,640,300	0.43%
Total		\$ 186,792,100	6.02%	Total	\$ 121,507,200	8.29%

Note: A revaluation occurred in 2016.

Source: Municipal Tax Assessor

DENVILLE TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 26,671,027	\$ 26,671,027	100.00%	\$ -0-
2015	26,747,737	26,747,737	100.00%	-0-
2016	27,678,032	27,678,032	100.00%	-0-
2017	28,787,724	28,787,724	100.00%	-0-
2018	29,777,860	29,777,860	100.00%	-0-
2019	30,797,678	30,797,678	100.00%	-0-
2020	31,168,585	31,168,585	100.00%	-0-
2021	32,324,284	32,324,284	100.00%	-0-
2022	32,489,754	32,489,754	100.00%	-0-
2023	32,735,008	32,735,008	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: Denville Township School District records including the Certificate & Report of School Taxes

DENVILLE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Financed Purchases	Total District		
2014	\$ 2,275,000	\$ 779,018	\$ 3,054,018	0.22%	\$ 183
2015	1,780,000	431,696	2,211,696	0.15%	133
2016	1,290,000	2,103,019	3,393,019	0.22%	205
2017	800,000	1,970,425	2,770,425	0.18%	165
2018	315,000	1,728,733	2,043,733	0.13%	123
2019	-0-	1,527,387	1,527,387	0.09%	93
2020	-0-	1,375,937	1,375,937	0.08%	84
2021	-0-	1,262,785	1,262,785	0.07%	74
2022	-0-	1,146,296	1,146,296	0.06%	67
2023	-0-	1,057,688	1,057,688	0.06%	62

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

- 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.

Source: School District Financial Reports

DENVILLE TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	\$ 2,765,000	\$ -0-	\$ 2,765,000	0.12%	\$ 165
2014	2,275,000	-0-	2,275,000	0.10%	136
2015	1,780,000	-0-	1,780,000	0.08%	107
2016	1,290,000	-0-	1,290,000	0.06%	78
2017	800,000	-0-	800,000	0.03%	48
2018	315,000	-0-	315,000	0.01%	19
2019	-0-	-0-	-0-	0.00%	-0-
2020	-0-	-0-	-0-	0.00%	-0-
2021	-0-	-0-	-0-	0.00%	-0-
2022	-0-	-0-	-0-	0.00%	-0-

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 prior calendar year.

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

Source: School District Financial Reports

DENVILLE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Denville	\$ 13,583,300	100.00%	\$ 13,583,300
Morris County General Obligation Debt	253,387,955	3.43%	8,689,433
Morris Hills Regional School District Debt	16,335,000	35.07%	<u>5,727,916</u>
Subtotal, Overlapping Debt			28,000,650
Denville School District Direct Debt			<u>-0-</u>
Total Direct And Overlapping Debt			<u>\$ 28,000,650</u>

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 Township of Denville. 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.

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of Denville Township'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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2023	
Equalized Valuation Basis	Denville Township
2022	\$ 3,753,403,293
2021	3,479,713,692
2020	3,348,685,246
	<u>\$ 10,581,802,231</u>
Average Equalized Valuation of Taxable Property	
	\$ 3,527,267,410
Debt Limit (3% of average equalization value)	
Net Bonded School Debt as of June 30, 2023	\$ 105,818,022
Legal Debt Margin	<u>-0-</u> <u>\$ 105,818,022</u>

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 99,912,610	\$ 97,613,919	\$ 96,466,760	\$ 97,560,547	\$ 99,391,920	\$ 98,823,468	\$ 99,037,132	\$ 99,505,127	\$ 101,291,364	\$ 105,818,022
Total Net Debt Applicable to Limit	<u>2,765,000</u>	<u>2,275,000</u>	<u>1,780,000</u>	<u>1,290,000</u>	<u>315,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Legal Debt Margin	<u>\$ 98,118,445</u>	<u>\$ 97,147,610</u>	<u>\$ 95,338,919</u>	<u>\$ 94,686,760</u>	<u>\$ 96,270,547</u>	<u>\$ 99,076,920</u>	<u>\$ 98,823,468</u>	<u>\$ 99,037,132</u>	<u>\$ 99,505,127</u>	<u>\$ 105,818,022</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	2.77%	2.33%	1.85%	1.32%	0.32%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Personal Income ^b	Morris County Per Capita Personal Income ^c	Unemployment Rate ^d
2014	16,685	\$ 1,406,328,595	\$ 84,287	4.90%
2015	16,641	1,469,367,018	88,298	4.10%
2016	16,579	1,512,866,908	91,252	3.80%
2017	16,746	1,566,487,824	93,544	3.70%
2018	16,630	1,617,167,720	97,244	3.30%
2019	16,435	1,629,365,900	99,140	2.50%
2020	16,362	1,672,638,174	102,227	7.90%
2021	17,100	1,842,815,700	107,767	4.70%
2022	17,127	1,845,725,409	107,767 *	3.00%
2023	17,127 **	1,845,725,409 ***	107,767 *	N/A

* - Latest Morris County per capita personal income available (2021) was used for calculation purposes.

** - Latest population data available (2022) was used for calculation purposes.

*** - Latest personal income data available (2022) was used for calculation purposes.

N/A - Information Unavailable

Source: School District Reports

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF MORRIS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2022			2013		
	Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Atlantic Health System		10,552	3.93%	U.S Army Aramament R&D	5,841	2.27%
Novartis		6,500	2.42%	Novartis	5,035	1.96%
Picantinnny Arsenal		6,000	2.23%	Atlantic Health System	4,463	1.74%
Barclays		3,374	1.26%	ADP	2,060	0.80%
ADP		2,400	0.89%	Bayer Healthcare, LLC	1,900	0.74%
Accenture		2,344	0.87%	County of Morris	1,674	0.65%
PricewaterhouseCoopers		2,095	0.78%	Wyndham Worldwide Corporation	1,653	0.64%
Cigna		1,686	0.63%	St Clare's	1,642	0.64%
Deloitte & Touche		1,646	0.61%	BASF Corporation	1,500	0.58%
Saint Clare's Health		1,473	0.55%	Accenture	1,480	0.58%
Total		<u>38,070</u>	<u>14.17%</u>		<u>27,248</u>	<u>10.60%</u>
Total County Labor Force		<u>268,713</u>			<u>274,179</u>	

N/A - Total amount of Employment is not available in order to do the percentage calculation

Source: Morris County Treasurer's Office

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction:										
Regular	111.8	118.0	123.0	121.0	110.0	113.5	116.0	112.9	128.5	125.6
Special Education	100.1	99.6	98.5	58.0	59.0	57.0	59.0	58.0	64.0	66.5
Support Services:										
Student & Instruction Related Services	23.7	23.0	35.0	89.0	88.0	90.0	93.0	92.0	91.0	86.3
School Administrative Services	15.1	8.0	17.0	17.0	17.0	20.0	20.0	20.0	21.0	21.0
General and Business Administrative Services	6.0	5.5	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Plant Operations and Maintenance	20.0	20.0	17.5	18.0	17.0	15.5	16.0	17.0	16.5	17.4
Pupil Transportation	20.0	20.0	20.5	42.0	30.0	28.5	26.5	25.0	26.0	26.0
Total	<u>296.7</u>	<u>294.1</u>	<u>319.5</u>	<u>353.0</u>	<u>329.0</u>	<u>332.5</u>	<u>338.5</u>	<u>332.9</u>	<u>355.0</u>	<u>350.8</u>

Source: District Personnel Records

DENVILLE TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle				
2014	1,730	\$ 28,714,986	\$16,598	4.61%	177	1:9.4	1:10.5	1,725	1,666	-1.88%	96.58%
2015	1,687	29,942,679	17,749	6.93%	175	1:9.5	1:10.0	1,680	1,621	-2.61%	96.49%
2016	1,646	30,551,358	18,561	4.57%	169	1:9.9	1:9.5	1,636	1,581	-2.62%	96.64%
2017	1,650	32,111,676	19,462	4.85%	174	1:9.8	1:9.0	1,634	1,478	-0.12%	90.45%
2018	1,639	33,477,342	20,425	4.95%	178	1:9.3	1:9.3	1,594	1,569	-2.45%	98.43%
2019	1,631	35,540,984	21,791	6.69%	176	1:9.3	1:9.0	1,570	1,507	-1.51%	95.99%
2020	1,664	35,859,241	21,550	-1.11%	180	1:9.43	1:9.0	1,647	1,612	4.90%	97.87%
2021	1,620	37,010,986	22,846	6.02%	180	1:8.82	1:8.76	1,620	1,607	-1.64%	99.20%
2022	1,664	41,640,149	19,936	4.85%	196	1:8.82	1:8.76	1,664	1,660	-0.97%	99.76%
2023	1,707	44,538,140	26,091	30.88%	195	1:8.98	1:8.29	1,734	1,643	-0.96%	94.72%

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: Denville Township School District records

DENVILLE TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

<u>District Building</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Lakeview Elementary School (1958)										
Square Feet	79,138	79,138	79,138	79,138	79,138	79,138	79,138	79,138	79,138	79,138
Capacity (students)	683	683	683	683	683	683	683	683	683	683
Enrollment	677	682	675	705	686	649	650	635	682	703
Riverview Elementary School (1958)										
Square Feet	56,855	56,855	56,855	56,855	56,855	56,855	56,855	56,855	56,855	56,855
Capacity (students)	388	388	388	388	388	388	388	388	388	388
Enrollment	402	388	373	372	362	383	418	433	439	465
Valleyview Middle School (1965)										
Square Feet	70,247	70,247	70,247	70,247	70,247	70,247	70,247	70,247	70,247	70,247
Capacity (students)	465	465	465	465	465	465	465	465	465	465
Enrollment	651	617	598	573	595	586	596	552	543	539
Administration Building (1908)										
Square Feet	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900
Bus Garage (1964)										
Square Feet	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820

Number of Schools at June 30, 2023
 Elementary = 2
 Middle School = 1
 Other = 2

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

Source: Denville Township School District Facilities Office

DENVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

Undistributed Expenditures - Required Maintenance For School Facilities

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>School Facilities*</u>										
Lakeview Elementary	\$ 164,811	\$ 168,096	\$ 145,561	\$ 204,663	\$ 175,120	\$ 158,400	\$ 281,518	\$ 192,630	\$ 254,206	\$ 349,454
Riverview Elementary	107,591	109,736	95,025	133,608	154,518	139,764	248,399	169,968	224,300	308,342
Valleyview Middle	157,658	160,801	139,244	195,781	169,969	153,741	273,238	186,965	246,729	339,175
Total School Facilities	430,060	438,633	379,829	534,051	499,607	451,905	803,155	549,563	725,235	996,971
<u>Other Facilities</u>										
Administration Building	2,442	2,491	2,157	3,033	5,151	4,659	8,280	5,666	7,477	10,278
Bus Garage	3,620	3,692	3,197	4,495	10,301	9,318	16,560	11,331	14,953	20,556
Total Other Facilities	6,062	6,183	5,354	7,528	15,452	13,977	24,840	16,997	22,430	30,834
Grand Total	\$ 436,122	\$ 444,816	\$ 385,183	\$ 541,579	\$ 515,059	\$ 465,882	\$ 827,995	\$ 566,560	\$ 747,665	\$ 1,027,805

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

Source: Denville Township School District records

DENVILLE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

	Coverage	Deductible
<u>National Union Fire Insurance Company</u>		
Property		
Blanket Building & Contents	\$ 61,215,828	\$ 5,000
Commercial General Liability		
Per Occurrence	1,000,000	
Aggregate	3,000,000	
Abuse or Molestation Liability:		
Per Occurrence	1,000,000	
Aggregate	1,000,000	
Commercial Automotive Liability	1,000,000	1,000*
Commercial Inland Marine	1,361,712	
Commercial Umbrella Liability:		
Per Occurrence	9,000,000	
Aggregate	9,000,000	
<u>NJ UEP:</u>		
	\$30,000,000 } Evanston	
	\$10M, Allied World \$10M,	
	Hudson \$10M	PIP Cap Excess
Excess Liability	\$25,000,000 x \$40,000,000	
Fireman's Fund Excess Liability (Shared)		
Employee Benefits:		
Per Occurrence	1,000,000	1,000
Aggregate	1,000,000	
<u>NJ School Insurance Group (NJSIG):</u>		
Workers Compensation	Statutory	
Employer's Liability/Full Wage Supplement	\$3,000,000	
Greenwich Insurance Company		
School Board Legal Liability/Employment Practices Liability		
Per Occurrence	1,000,000	
Aggregate	1,000,000	25,000
Public Official Bonds - Selective Insurance Company:		
Treasurer of School Monies	350,000	
Board Secretary/Business Administrator	350,000	
Blanket Employee Bond	10,000	
Employee Theft (Those not subject to bonding)	50,000	5,000
Cyber Liability - North American Casualty Cyber Liability		
Per Occurrence	1,000,000	
Aggregate	1,000,000	10,000 retention
<u>CHUBB:</u>		
Education Entity - Pollution Liability		
Per Occurrence	1,000,000	\$25,000 Pollution Condition - Retention
Aggregate	3,000,000	\$50,000 Per Fungi or Legionella Condition Retention

* comprehensive and collision deductibles on auto coverage

Source: Denville Township School District records

SINGLE AUDIT SECTION

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

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Denville Township 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 "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Denville Township School District, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 6, 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
Denville Township 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.

Mount Arlington, New Jersey
October 6, 2023

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

Man C. Lee
Licensed Public School Accountant #2527
Certified Public Accountant

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 Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Denville Township 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, 2023. 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, 2023.

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.

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.

The Honorable President and Members
of the Board of Education
Denville Township School District
Page 2

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. *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.

The Honorable President and Members
of the Board of Education
Denville Township School District
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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.

October 6, 2023
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

Man C. Lee
Licensed Public School Accountant #2527
Certified Public Accountant

DENVERVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Prior Year Payables Cancelled	Balance at June 30, 2023		Amount Provided to Subre- cipients
			From	To		Budgetary (Accounts Receivable)	Due to Grantor				Budgetary (Accounts Receivable)	Due to Grantor	
U.S. Department of Agriculture - Passed-through State Department of Education: Child Nutrition Cluster: Special Milk Program	10.556	N/A	7/1/22	6/30/23	\$ 18,228		\$ 17,086	\$ (18,228)			\$ (1,142)		
Special Milk Program	10.556	N/A	7/1/21	6/30/22	14,354		1,083						
Total U.S. Department of Agriculture / Enterprise Fund							18,169	(18,228)			(1,142)		
U.S. Department of Health and Human Services - Passed-through State Department of Human Services: General Fund: Medicaid Cluster: Medical Assistance Program (SEMI)	93.778	N/A	7/1/22	6/30/23	27,717		22,107	(22,107)					
Medical Assistance Program (SEMI)	93.778	N/A	7/1/21	6/30/22	21,870		4,825	(4,825) *					
Family First Coronavirus Response Act	93.778	N/A	1/1/21	12/31/21	785		785	(785) *					
Total U.S. Department of Health and Human Services							27,717	(27,717)					
U.S. Department of Homeland Security - Passed-through State Department of Emergency Management: General Fund: Disaster Grants - Public Assistance (FEMA): Coronavirus Pandemic	97.036	DR4488	1/20/20	5/11/23	190,113		190,113	(190,113) *					
Total U.S. Department of Homeland Security							190,113	(190,113)					
U.S. Department of Education - Passed-through State Department of Education: Education Stabilization Fund: COVID 19 - CRRSA: ESSER II Learning Acceleration Mental Health COVID 19 - ARP: ESSER III Accelerated Learning Coaching & Educator Support Evidence-Based Summer Learning & Enrichment Evidence-Based Beyond the School Day NJTSS Mental Health Support Staffing Homeless II	84.425D 84.425D 84.425D 84.425U 84.425U 84.425U 84.425U 84.425U 84.425W	S425D210027 S425D210027 S425D210027 S425D210027 S425D210027 S425D210027 S425D210027 S425D210027 S425D210027	3/13/20 3/13/20 3/13/20 3/13/20 3/13/20 3/13/20 3/13/20 3/13/20 4/23/21	9/30/23 9/30/23 9/30/23 9/30/24 9/30/24 9/30/24 9/30/24 9/30/24 9/30/24	145,858 25,000 45,000 327,807 138,341 40,000 40,000 45,000 7,246		86,143 21,072 21,382 78,811 78,508 17,740 45,000 7,246	(14,059) (17,657) (21,382) (62,870) (72,748) (16,071) (3,312) (42,605) (7,246)		61 75	(2,128) (5,452)	\$ 2,937	
Education Stabilization Fund Total							355,902	(255,013)		136	(34,301)		2,937

DENVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Prior Year Payables Cancelled	Balance at June 30, 2023		Amount Provided to Subre- cipients
			From	To		Budgetary (Accounts Receivable)	Due to Grantor				Budgetary (Accounts Receivable)	Due to Grantor	
U.S. Department of Education -													
Passed-through State Department of Education:													
Special Revenue Fund:													
Elementary and Secondary Education Act:													
Title I	84.010A	ESEA-1090-23	7/1/22	9/30/23	\$ 65,254		\$ 53,499	\$ (53,797)		\$ 17	\$ (298)		
Title I	84.010A	ESEA-1090-22	7/1/21	9/30/22	57,717		29,043	(53,797)		17	(298)		
Total Title I					39,720		82,542	(22,456)				\$ 692	
Title II	84.367A	ESEA-1090-23	7/1/22	9/30/23	34,476		7,427	(7,427)					
Title II	84.367A	ESEA-1090-22	7/1/21	9/30/22	10,778		30,575	(22,456)				692	
Total Title II					20,000		905	(2,387)			(1,482)		
Title III	84.365A	ESEA-1090-23	7/1/22	9/30/23	10,000		3,849	(15,062)			(11,213)		
Title IV	84.365A	ESEA-1090-23	7/1/22	9/30/23	10,000								
Title IV	84.365A	ESEA-1090-19	7/1/18	9/30/19	10,000						\$ 16		
Total Title IV							3,849	(15,062)			(11,213)	16	
Elementary and Secondary Education Act Total							117,871	(93,702)		17	(12,993)	16	692
Special Education Cluster:													
I.D.E.A. Part B, Basic Regular	84.027A	IDEA-1090-23	7/1/22	9/30/23	374,996		374,996	(374,996)					
I.D.E.A. Part B, Preschool	84.173A	IDEA-1090-23	7/1/22	9/30/23	23,582		20,107	(23,545)			(3,438)		
Special Education Cluster Total							395,103	(398,541)			(3,438)		
Total U.S. Department of Education / Special Revenue Fund							868,876	(747,256)		153	(50,732)	16	3,629
U.S. Department of Treasury -													
Passed-through State Department of Community Affairs:													
Capital Projects Fund:													
School and Small Business Ventilation and Energy Efficiency Verification and Repair Program:		SSB-VIEVR-											
Riverview HVAC Replacement/New Systems	21.027	67639	5/1/22	8/11/23	\$ 464,813			(48,519)			(48,519)		
Lakeview HVAC Replacement/New Systems	21.027	68355	11/7/22	11/7/23	2,233,125						(48,519)		
Total U.S. Department of Treasury							\$1,104,875	(983,314)		153	(100,393)	16	3,629
TOTAL FEDERAL AWARDS													\$ -0-

* Includes prior year expenditures.
N/A - Not Available/Applicable.

Accounts Payable	\$ 61
Encumbrances Payable	92
	<u>\$ 153</u>

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

DENVERVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Project Number	Grant Period		Program or Award Amount	Balance at July 1, 2022		Balance at June 30, 2023		MEMO	
		From	To		Budgetary (Accounts Receivable)	Due to Grantor	GAAP (Accounts Receivable)	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
State Department of Education:										
General Fund:										
Special Education Categorical Aid	23-495-034-5120-089	7/1/22	6/30/23	\$ 1,715,744	\$ 1,546,057	\$ (1,715,744)	\$ (1,715,744)	\$ (169,687)	\$ 1,715,744	\$ 1,715,744
Categorical Security Aid	23-495-034-5120-084	7/1/22	6/30/23	145,475	131,088	(145,475)	(145,475)	(14,387)	145,475	145,475
Categorical Transportation Aid	23-495-034-5120-014	7/1/22	6/30/23	566,483	510,458	(566,483)	(566,483)	(56,025)	566,483	566,483
Extraordinary Special Education Costs Aid	23-495-034-5120-044	7/1/22	6/30/23	498,113		(498,113)	(498,113)	(498,113)	498,113	498,113
Additional Non-Public Transportation Aid	23-495-034-5120-014	7/1/22	6/30/23	17,972		(17,972)	(17,972)	(17,972)	17,972	17,972
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22	6/30/23	1,051,038	999,242	(1,051,038)	(1,051,038)	(51,796)	1,051,038	1,051,038
Special Education Categorical Aid	22-495-034-5120-089	7/1/21	6/30/22	1,619,650	158,855				1,619,650	1,619,650
Categorical Security Aid	22-495-034-5120-084	7/1/21	6/30/22	48,547	4,761	(4,761)			48,547	48,547
Categorical Transportation Aid	22-495-034-5120-014	7/1/21	6/30/22	295,264	28,959	(28,959)			295,264	295,264
Extraordinary Special Education Costs Aid	22-495-034-5120-044	7/1/21	6/30/22	428,963	428,963	(428,963)			428,963	428,963
Additional Non-Public Transportation Aid	22-495-034-5120-014	7/1/21	6/30/22	15,080	15,080	(15,080)			15,080	15,080
Reimbursed TPAF Social Security Contributions	22-100-034-5095-002	7/1/21	6/30/22	954,864	48,525	(48,525)			954,864	954,864
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22	6/30/23	1,291,774	1,291,774	(1,291,774)			1,291,774	1,291,774
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22	6/30/23	4,850,054	4,850,054	(4,850,054)			4,850,054	4,850,054
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22	6/30/23	67,289	67,289	(67,289)			67,289	67,289
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22	6/30/23	2,105	2,105	(2,105)			2,105	2,105
Total General Fund					10,083,210	(10,206,047)		(807,980)	13,568,415	13,568,415
Special Revenue Fund:										
NJ Nonpublic Aid:										
Security Aid	19-495-034-5120-084	7/1/18	6/30/19	22,950	\$ 1,550			\$ 1,550		9,095
Climate Awareness Grant	N/A	4/1/23	6/30/23	6,660			(6,620)			6,660
School Development Authority:										
Emergent and Capital Maintenance Needs	N/A	7/1/22	6/30/23	37,649	37,649	(37,649)				37,649
Total Special Revenue Fund					1,550	(44,269)		1,550		53,404
Total State Department of Education / State Awards Subject to Single Audit Determination					\$ 1,550	(10,250,316)		\$ (807,980)	\$ 1,550	\$ 13,621,819

Less: State Awards Not Subject to Single Audit Major Program Determination

On-Behalf TPAF Pension System Contributions:

On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22	6/30/23	(1,291,774)					1,291,774	
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22	6/30/23	(4,850,054)					4,850,054	
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22	6/30/23	(67,289)					67,289	
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22	6/30/23	(2,105)					2,105	

Subtotal - On-Behalf TPAF Pension System Contributions

					6,211,222					
Total State Awards Subject to Single Audit Major Program Determination									\$ (4,039,094)	

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Denville Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2023. 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 District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to P.L. 2003, C.97 (A3521). 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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$47,524) for the general fund and \$10,448 for the special revenue fund. On the Schedule of Expenditures of Federal Awards, Capital Projects Fund grants (SSB-VEEVR) is reported on the GAAP basis when certain grant milestones are accomplished and proper documentation is submitted to the grantor for reimbursement and not on the budgetary basis, which is the full grant at the time of award. Also, for the General Fund, the \$190,113 of FEMA Coronavirus Pandemic reimbursement was posted as an appropriation refund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal Sources</u>	<u>State Sources</u>	<u>Total</u>
General Fund	\$ 27,717	\$ 10,158,523	\$ 10,186,240
Special Revenue Fund	762,325	39,648	801,973
Proprietary Fund	18,228		18,228
Total Financial Assistance	<u>\$ 808,270</u>	<u>\$ 10,198,171</u>	<u>\$ 11,006,441</u>

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

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, 2023.

DENVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 the major federal and state programs disclosed during the audit as reported in the *Independent Auditors’ Report on Compliance for Each Major Federal and State Programs; 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 the 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:

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
IDEA, Part B, Basic	84.027A	7/1/22-9/30/23	\$ 374,996	\$ 374,996
IDEA, Part B, Preschool	84.173A	7/1/22-9/30/23	23,582	23,545
<u>State:</u>				
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	1,051,038	\$ 1,051,038

- The threshold used for distinguishing between Type A and Type B federal and state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for state programs and not a “low-risk” auditee for federal programs.

DENVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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 required to be reported under Generally Accepted Government Auditing Standards.

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 or NJ OMB 15-08.

DENVILLE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Status of Prior Year Findings:

The District had no prior year audit findings.