

**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, 2025**

**Annual Comprehensive  
Financial Report**

**of the**

**DENVILLE TOWNSHIP SCHOOL DISTRICT**

**Denville, New Jersey**

**For the Fiscal Year Ended June 30, 2025**

**Prepared by**

**Denville Township Board of Education  
Finance Department**

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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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Fax: 973-784-4778  
dgurowsky@denville.org

November 26, 2025

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, 2025, 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.

## 2) ENROLLMENT:

The District completed the 2024-2025 fiscal year with an enrollment of 1,745 students, which is an increase of 36 students or 0.2% from the previous year's enrollment. The projected enrollment for the 2025-2026 fiscal year is 1,750 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 continues 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 continue to increase 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 the Units of Study K-8 Readers/Writers workshop 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 purchase of 3-5 Writing Units of Study, classroom libraries and book clubs. Digital literacy products, such as Newsela were ordered to support language arts instruction.

**Science** - Funding was provided to replenish consumable material for the Science Programs K-8 and for the purchase of TCI Science Alive textbooks K-5. Digital support programs include Mystery Science, Brain Pop, and Discovery Science. Woodworking was added as a 7<sup>th</sup> & 8<sup>th</sup> grade elective. Funds were used for supplies and curriculum for this program.

**Life Careers** - Funding was provided to replenish consumable materials.

**Health & Physical Education** - Funding was provided to purchase new texts to support updated 6-8 Health Curriculum and replacement equipment for Physical Education as needed.

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

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 major 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, 2025.

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 2024. 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, 2025.

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,



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Dr. Steven Forte  
Superintendent



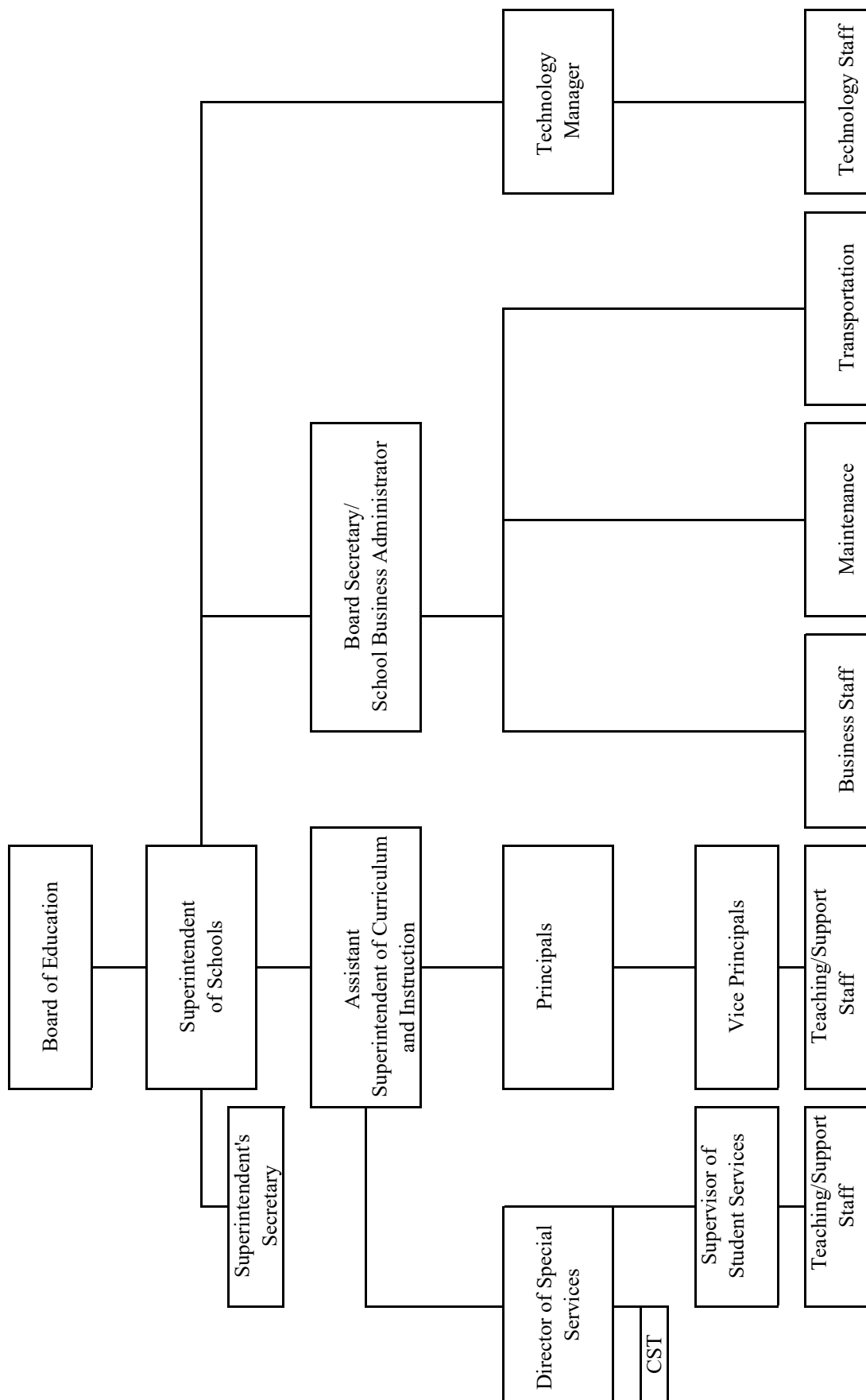
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Damaris Gurowsky  
Business Administrator/Board Secretary

# DENVILLE TOWNSHIP SCHOOL DISTRICT

## Organizational Chart

(Unit Control)



**DENVILLE TOWNSHIP SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2025**

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|------------------------------------------|---------------------|
| James Kim, President                     | 2026                |
| Dr. Clifford Moore, Vice President       | 2027                |
| Andrea Zeydelis                          | 2025                |
| Christina Astorino                       | 2027                |
| Michael Andersen                         | 2026                |
| Dino Cappello                            | 2026                |
| 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, 2024.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

**Ryan S. Stechschulte  
President**

A handwritten signature in black ink, reading 'James M. Rowan'.

**James M. Rowan, CAE, SFO  
CEO/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, 2025, 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, 2025, 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.

### ***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 November 26, 2025 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  
November 26, 2025

*Nisivoccia LLP*  
NISIVOCIA 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, 2025**

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, 2025. 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**

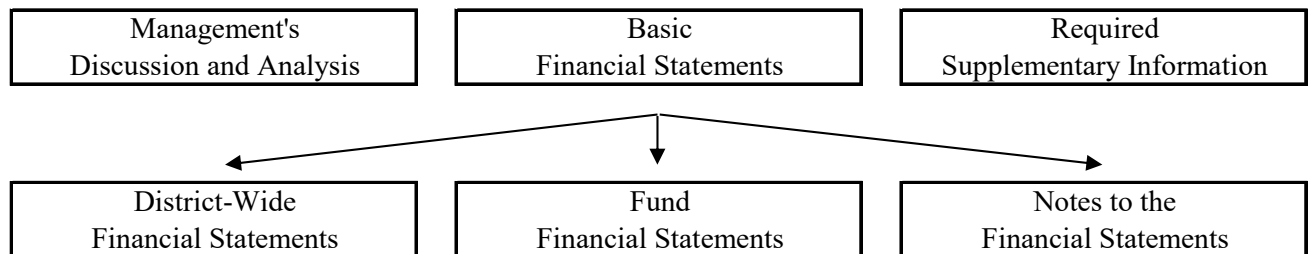


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul> | <ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>                                                    | <ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul> |
| Accounting Basis and Measurement Focus | Accrual accounting and economic resources focus                                                                  | Modified accrual accounting and current financial resources focus                                                                                                                                | Accrual accounting and economic resources focus                                                                                                                                         |
| Type of Asset/Liability Information    | All assets and liabilities, both financial and capital, short-term and long-term                                 | Generally assets expected to be used up and liabilities that come due during the year or soon thereafter: no capital assets, lease assets, 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 16.17%. Net position from governmental activities increased \$2,551,377 while net position from business-type activities increased \$8,958. Net investment in capital assets increased \$584,438, restricted net position increased by \$935,681 and unrestricted net position increased \$1,040,216.

**Figure A-3**  
**Condensed Statement of Net Position**

|                                   | Governmental Activities |               | Business-Type Activities |            | Total School District |               | Total<br>Percentage<br>Change |
|-----------------------------------|-------------------------|---------------|--------------------------|------------|-----------------------|---------------|-------------------------------|
|                                   | (Restated)              |               |                          |            | (Restated)            |               |                               |
|                                   | 2024/2025               | 2023/2024     | 2024/2025                | 2023/2024  | 2024/2025             | 2023/2024     | 2024/2025                     |
| Current and Other Assets          | \$ 11,132,114           | \$ 9,904,734  | \$ 45,022                | \$ 17,064  | \$ 11,177,136         | \$ 9,921,798  |                               |
| Capital Assets, Net               | 17,568,719              | 17,317,860    | 90,115                   | 109,115    | 17,658,834            | 17,426,975    |                               |
| Lease Assets, Net                 | 1,030,601               | 89,765        |                          |            | 1,030,601             | 89,765        |                               |
| Total Assets                      | 29,731,434              | 27,312,359    | 135,137                  | 126,179    | 29,866,571            | 27,438,538    | 8.85%                         |
| Deferred Outflows<br>of Resources | 1,763,866               | 1,194,612     |                          |            | 1,763,866             | 1,194,612     | 47.65%                        |
| Other Liabilities                 | 1,224,643               | 1,609,468     |                          |            | 1,224,643             | 1,609,468     |                               |
| Long-Term Liabilities             | 11,417,869              | 10,526,722    |                          |            | 11,417,869            | 10,526,722    |                               |
| Total Liabilities                 | 12,642,512              | 12,136,190    |                          |            | 12,642,512            | 12,136,190    | 4.17%                         |
| Deferred Inflows<br>of Resources  | 597,982                 | 667,352       |                          |            | 597,982               | 667,352       | -10.39%                       |
| Net Position:                     |                         |               |                          |            |                       |               |                               |
| Net Investment in                 |                         |               |                          |            |                       |               |                               |
| Capital Assets                    | 16,954,516              | 16,351,078    | 90,115                   | 109,115    | 17,044,631            | 16,460,193    |                               |
| Restricted                        | 9,054,684               | 8,119,003     |                          |            | 9,054,684             | 8,119,003     |                               |
| Unrestricted/(Deficit)            | (7,754,394)             | (8,766,652)   | 45,022                   | 17,064     | (7,709,372)           | (8,749,588)   |                               |
| Total Net Position                | \$ 18,254,806           | \$ 15,703,429 | \$ 135,137               | \$ 126,179 | \$ 18,389,943         | \$ 15,829,608 | 16.17%                        |

*Changes in Net Position.* The District's combined net position was \$18,389,943 on June 30, 2025, \$2,560,335 or 16.17% 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 board approved deposit into Capital Reserve. Unrestricted net position increased mainly due to the completion of the Lakeview Elementary School HVAC project and the resulting reimbursement of expenses from the grantor; as well as the net change in net pension liability and related deferred resources. (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 |
|--------------------------------------|-------------------------|---------------|--------------------------|------------|-----------------------|---------------|-------------------------|
|                                      | 2024/2025               | 2023/2024     | 2024/2025                | 2023/2024  | 2024/2025             | 2023/2024     |                         |
| Revenue:                             |                         |               |                          |            |                       |               |                         |
| Program Revenue:                     |                         |               |                          |            |                       |               |                         |
| Charges for Services                 | \$ 232,970              | \$ 231,942    | \$ 25,404                | \$ 20,025  | \$ 258,374            | \$ 251,967    |                         |
| Grants and Contributions:            |                         |               |                          |            |                       |               |                         |
| Operating                            | 8,849,105               | 9,096,678     | 64,664                   | 16,684     | 8,913,769             | 9,113,362     |                         |
| Capital                              | 1,254,769               | 457,020       |                          |            | 1,254,769             | 457,020       |                         |
| General Revenue:                     |                         |               |                          |            |                       |               |                         |
| Property Taxes                       | 35,895,098              | 34,705,112    |                          |            | 35,895,098            | 34,705,112    |                         |
| Federal and State Aid Not Restricted | 13,520                  | 10,094        |                          |            | 13,520                | 10,094        |                         |
| Other                                | 200,566                 | 176,625       | 10,297                   | 10,241     | 210,863               | 186,866       |                         |
| Total Revenue                        | 46,446,028              | 44,677,471    | 100,365                  | 46,950     | 46,546,393            | 44,724,421    | 4.07%                   |
| Expenses:                            |                         |               |                          |            |                       |               |                         |
| Instruction                          | 25,166,474              | 26,559,473    |                          |            | 25,166,474            | 26,559,473    |                         |
| Pupil and Instruction Services       | 7,077,148               | 6,684,052     |                          |            | 7,077,148             | 6,684,052     |                         |
| Administrative and Business          | 4,158,921               | 4,067,795     |                          |            | 4,158,921             | 4,067,795     |                         |
| Maintenance and Operations           | 3,830,601               | 4,352,435     |                          |            | 3,830,601             | 4,352,435     |                         |
| Transportation                       | 3,558,727               | 3,335,962     |                          |            | 3,558,727             | 3,335,962     |                         |
| Other                                | 98,780                  | 115,625       | 165,145                  | 121,095    | 263,925               | 236,720       |                         |
| Total Expenses                       | 43,890,651              | 45,115,342    | 165,145                  | 121,095    | 44,055,796            | 45,236,437    | -2.61%                  |
| Transfers                            | (79,000)                | (65,000)      | 79,000                   | 65,000     | -0-                   | -0-           |                         |
| Other Items                          | 75,000                  |               | (5,262)                  |            | 69,738                |               |                         |
| Change in Net Position               | 2,551,377               | (502,871)     | 8,958                    | (9,145)    | 2,560,335             | (512,016)     | 600.05%                 |
| Beginning Net Position (Restated)    | 15,703,429              | 16,206,300    | 126,179                  | 135,324    | 15,829,608            | 16,341,624    |                         |
| Ending Net Position                  | \$ 18,254,806           | \$ 15,703,429 | \$ 135,137               | \$ 126,179 | \$ 18,389,943         | \$ 15,829,608 | 16.17%                  |

### Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District has increased by \$2,551,377. However, 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 |                      |
|--------------------------------|------------------------|----------------------|----------------------|----------------------|
|                                | 2024/2025              | 2023/2024            | 2024/2025            | 2023/2024            |
| Instruction                    | \$ 25,166,474          | \$ 26,559,473        | \$ 18,508,493        | \$ 19,483,471        |
| Pupil and Instruction Services | 7,077,148              | 6,684,052            | 6,564,949            | 6,347,129            |
| Administrative and Business    | 4,158,921              | 4,067,795            | 3,816,918            | 3,754,804            |
| Maintenance and Operations     | 3,830,601              | 4,352,435            | 2,313,786            | 3,684,773            |
| Transportation                 | 3,558,727              | 3,335,962            | 2,250,881            | 2,401,100            |
| Other                          | 98,780                 | 115,625              | 98,780               | 115,625              |
|                                | <u>\$ 43,890,651</u>   | <u>\$ 45,115,342</u> | <u>\$ 33,553,807</u> | <u>\$ 35,786,902</u> |

### **Business-Type Activities**

Net position from the District's business-type activity, food service, increased by \$8,958 due to a board contribution towards the cost of lunches not reimbursed through the Child Nutrition Program. (Refer to Figure A-4).

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

The District's General Fund financial status increased mainly due to an increase in state aid. To maintain a stable financial position, the District must continue to practice sound fiscal management.

### **General Fund Budgetary Highlights**

Over the course of the fiscal year, the District revised the annual operating budget between budgetary line items for changes in school-based needs and has highlighted the most significant transfers and variances.

Overall, the District's General Fund budget increased \$63,229 due to Board-approved withdrawals from the maintenance reserve account during the fiscal year. Transfers were made from special education – instruction, undistributed expenditures – instruction and other support services, extraordinary services, student transportation services, and unallocated benefits to regular programs – instruction, school administration, and custodial services. Also, the District is required to report revenue and offsetting expenditures for TPAF benefits paid by NJDOE on behalf of the District. These amounts are not budgeted and are required to be presented as excess revenue and expenditures without appropriations. The District returned \$475,948 of unexpended balance from the Capital Projects Fund to the General Fund upon the completion of the Lakeview HVAC upgrade project and transferred \$79,000 to the Food Service Fund as a board contribution.

|                                                              | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual        | Variance<br>to Actual |
|--------------------------------------------------------------|--------------------|---------------------|-----------------|---------------|-----------------------|
| Expenditures:                                                |                    |                     |                 |               |                       |
| Total Regular Programs - Instruction                         | \$ 11,075,574      | \$ 233,813          | \$ 11,309,387   | \$ 10,573,986 | \$ 735,401            |
| Total Special Education Instruction                          | 5,137,327          | (25,829)            | 5,111,498       | 4,950,769     | 160,729               |
| Total Other Instruction                                      | 697,652            | (1,529)             | 696,123         | 677,571       | 18,552                |
| Total Undistributed Expenditures -<br>Instruction            | 1,123,536          | (49,922)            | 1,073,614       | 1,022,281     | 51,333                |
| Total Undistributed Expenditures -<br>Other Support Services | 4,244,976          | (73,930)            | 4,171,046       | 3,876,731     | 294,315               |
| Total Extraordinary Services                                 | 441,625            | (80,038)            | 361,587         | 346,289       | 15,298                |
| Total School Administration                                  | 1,304,604          | 112,140             | 1,416,744       | 1,411,121     | 5,623                 |
| Total Custodial Services                                     | 2,321,075          | 155,014             | 2,476,089       | 2,333,711     | 142,378               |
| Total Student Transportation Services                        | 2,474,541          | (103,095)           | 2,371,446       | 2,187,256     | 184,190               |
| Total Unallocated Benefits                                   | 9,161,191          | (163,849)           | 8,997,342       | 8,496,945     | 500,397               |
| Total On-Behalf TPAF Contributions                           | -0-                | -0-                 | -0-             | 7,803,082     | (7,803,082)           |
| Total Capital Outlay                                         | 2,003,325          | -0-                 | 2,003,325       | 2,701,701     | (698,376)             |
| Total Expenditures                                           | \$ 42,562,855      | \$ 63,229           | \$ 42,626,084   | \$ 48,700,278 | \$ (6,074,194)        |

### Capital Asset and Long Term Liabilities

**Figure A-6**  
**Capital Assets (Net of Depreciation)**

|                                              | Governmental Activities |                     | Business-Type Activities |                   | Total School District |                     | Total<br>Percentage<br>Change |
|----------------------------------------------|-------------------------|---------------------|--------------------------|-------------------|-----------------------|---------------------|-------------------------------|
|                                              | 2024/2025               | 2023/2024           | 2024/2025                | 2023/2024         | 2024/2025             | 2023/2024           |                               |
| Land                                         | \$ 105,150              | \$ 105,150          |                          |                   | \$ 105,150            | \$ 105,150          |                               |
| Construction in Progress                     |                         | 1,643,540           |                          |                   |                       | 1,643,540           |                               |
| Site Improvements                            | 547,931                 | 403,100             |                          |                   | 547,931               | 403,100             |                               |
| Buildings and Building<br>Improvements       | 15,383,760              | 13,947,430          |                          |                   | 15,383,760            | 13,947,430          |                               |
| Machinery and<br>Equipment                   | 1,531,878               | 1,218,640           | \$ 90,115                | \$ 109,115        | 1,621,993             | 1,327,755           |                               |
| Total Capital Assets,<br>Net of Depreciation | <u>\$17,568,719</u>     | <u>\$17,317,860</u> | <u>\$ 90,115</u>         | <u>\$ 109,115</u> | <u>\$17,658,834</u>   | <u>\$17,426,975</u> | 1.33%                         |

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 \$891,147, or 8.47%, – 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<br>Percentage<br>Change |
|------------------------------|-----------------------|-------------------------|-------------------------------|
|                              | 2024/2025             | (Restated)<br>2023/2024 | 2024/2025                     |
| Net Pension Liability        | \$ 7,692,713          | \$ 7,470,479            |                               |
| Financed Purchases Payable   | 864,999               | 963,986                 |                               |
| Leases Payable               | 779,805               | 92,561                  |                               |
| Compensated Absences Payable | 2,080,352             | 1,999,696               |                               |
|                              | <u>\$ 11,417,869</u>  | <u>\$ 10,526,722</u>    | <u>8.47%</u>                  |

- The District’s net pension liability increased by \$222,234.
- The District paid down \$98,987 of financed purchases payable.
- The District’s paid down \$536,791 of leases payable and entered into a new lease agreement for the rental of the St. Mary’s building for \$1,224,035.
- The District’s liability for compensated absences increased by a net amount of \$80,656.

**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 circumstances 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 high increases in health benefit costs.

While many factors influence the district’s future, the availability of funding for special education needs and transportation costs 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, 2<sup>nd</sup> Floor, Denville, New Jersey 07834.

## BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

DENVILLE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2025

|                                                                                                   | Governmental<br>Activities | Business-type<br>Activities | Total                |
|---------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|----------------------|
| <u>ASSETS</u>                                                                                     |                            |                             |                      |
| Cash and Cash Equivalents                                                                         | \$ 431,395                 | \$ 83,311                   | \$ 514,706           |
| Investments                                                                                       | 1,141,488                  |                             | 1,141,488            |
| Internal Balances                                                                                 | 42,069                     | (42,069)                    |                      |
| Receivables from Federal Governments                                                              | 576,572                    | 3,661                       | 580,233              |
| Receivables from State Governments                                                                | 11,803                     | 119                         | 11,922               |
| Other Accounts Receivable                                                                         | 15,141                     |                             | 15,141               |
| Prepaid Expenses                                                                                  | 258,962                    |                             | 258,962              |
| Restricted Cash and Cash Equivalents                                                              | 8,654,684                  |                             | 8,654,684            |
| Capital Assets:                                                                                   |                            |                             |                      |
| Sites (Land)                                                                                      | 105,150                    |                             | 105,150              |
| Depreciable Site Improvements, Buildings and Building<br>Improvements and Machinery and Equipment | 17,463,569                 | 90,115                      | 17,553,684           |
| Lease Assets, Net                                                                                 | 1,030,601                  |                             | 1,030,601            |
| Total Assets                                                                                      | <u>29,731,434</u>          | <u>135,137</u>              | <u>29,866,571</u>    |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>                                                             |                            |                             |                      |
| Deferred Outflows Related to Pensions                                                             | 945,965                    |                             | 945,965              |
| District Contribution Subsequent to the Measurement Date                                          | 817,901                    |                             | 817,901              |
| Total Deferred Outflows of Resources                                                              | <u>1,763,866</u>           |                             | <u>1,763,866</u>     |
| <u>LIABILITIES</u>                                                                                |                            |                             |                      |
| Current Liabilities:                                                                              |                            |                             |                      |
| Accounts Payable                                                                                  | 1,097,906                  |                             | 1,097,906            |
| Payable to Federal Government                                                                     | 19,261                     |                             | 19,261               |
| Payable to State Government                                                                       | 1,550                      |                             | 1,550                |
| Unearned Revenue                                                                                  | 105,926                    |                             | 105,926              |
| Noncurrent Liabilities:                                                                           |                            |                             |                      |
| Due Within One Year                                                                               | 148,949                    |                             | 148,949              |
| Due Beyond one Year                                                                               | 11,268,920                 |                             | 11,268,920           |
| Total Liabilities                                                                                 | <u>12,642,512</u>          |                             | <u>12,642,512</u>    |
| <u>DEFERRED INFLOW OF RESOURCES</u>                                                               |                            |                             |                      |
| Deferred Inflows Related to Pensions                                                              | 597,982                    |                             | 597,982              |
| Total Deferred Outflows of Resources                                                              | <u>597,982</u>             |                             | <u>597,982</u>       |
| <u>NET POSITION</u>                                                                               |                            |                             |                      |
| Net Investment in Capital Assets                                                                  | 16,954,516                 | 90,115                      | 17,044,631           |
| Restricted for:                                                                                   |                            |                             |                      |
| Capital Projects                                                                                  | 6,069,142                  |                             | 6,069,142            |
| Maintenance                                                                                       | 1,500,711                  |                             | 1,500,711            |
| Emergency                                                                                         | 300,000                    |                             | 300,000              |
| Unemployment Compensation                                                                         | 757,395                    |                             | 757,395              |
| Student Activities                                                                                | 27,436                     |                             | 27,436               |
| Excess Surplus                                                                                    | 400,000                    |                             | 400,000              |
| Unrestricted/(Deficit)                                                                            | <u>(7,754,394)</u>         | <u>45,022</u>               | <u>(7,709,372)</u>   |
| Total Net Position                                                                                | <u>\$ 18,254,806</u>       | <u>\$ 135,137</u>           | <u>\$ 18,389,943</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, 2025

| Functions/Programs                     | Program Revenues |                         |                                          | Net (Expense) Revenue and<br>Changes in Net Position |                            |                             |
|----------------------------------------|------------------|-------------------------|------------------------------------------|------------------------------------------------------|----------------------------|-----------------------------|
|                                        | Expenses         | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions               | Governmental<br>Activities | Business-type<br>Activities |
| Governmental Activities:               |                  |                         |                                          |                                                      |                            |                             |
| Instruction:                           |                  |                         |                                          |                                                      |                            |                             |
| Regular                                | \$ 15,957,374    | \$ 91,400               | \$ 2,406,855                             |                                                      | \$ (13,459,119)            | \$ (13,459,119)             |
| Special Education                      | 8,167,954        |                         | 4,032,002                                |                                                      | (4,135,952)                | (4,135,952)                 |
| Other Special Instruction              | 760,288          |                         | 114,430                                  |                                                      | (645,858)                  | (645,858)                   |
| Other Instruction                      | 280,858          |                         | 13,294                                   |                                                      | (267,564)                  | (267,564)                   |
| Support Services:                      |                  |                         |                                          |                                                      |                            |                             |
| Tuition                                | 1,022,281        |                         |                                          |                                                      | (1,022,281)                | (1,022,281)                 |
| Student & Instruction Related Services | 6,054,867        | 141,570                 | 370,629                                  |                                                      | (5,542,668)                | (5,542,668)                 |
| General Administrative Services        | 939,265          |                         | 34,045                                   |                                                      | (905,220)                  | (905,220)                   |
| School Administrative Services         | 2,181,727        |                         | 256,082                                  |                                                      | (1,925,645)                | (1,925,645)                 |
| Central Services                       | 596,824          |                         | 29,431                                   |                                                      | (567,393)                  | (567,393)                   |
| Administration Information Technology  | 441,105          |                         | 22,445                                   |                                                      | (418,660)                  | (418,660)                   |
| Plant Operations and Maintenance       | 3,830,601        |                         | 262,046                                  | \$ 1,254,769                                         | (2,313,786)                | (2,313,786)                 |
| Pupil Transportation                   | 3,558,727        |                         | 1,307,846                                |                                                      | (2,250,881)                | (2,250,881)                 |
| Transfer to Charter Schools            | 98,780           |                         |                                          |                                                      | (98,780)                   | (98,780)                    |
| Total Governmental Activities          | 43,890,651       | 232,970                 | 8,849,105                                | 1,254,769                                            | (33,553,807)               | (33,553,807)                |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(Continued)

| Functions/Programs                        | Program Revenues |                         |                                          |                                        | Net (Expense) Revenue and<br>Changes in Net Position |                             |              |
|-------------------------------------------|------------------|-------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------|-----------------------------|--------------|
|                                           | Expenses         | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-type<br>Activities | Total        |
| Business-Type Activities:<br>Food Service | \$ 165,145       | \$ 25,404               | \$ 64,664                                |                                        |                                                      | \$ (75,077)                 | \$ (75,077)  |
| Total Business-Type Activities            | 165,145          | 25,404                  | 64,664                                   |                                        |                                                      | (75,077)                    | (75,077)     |
| Total Primary Government                  | \$ 44,055,796    | \$ 258,374              | \$ 8,913,769                             | \$ 1,254,769                           | \$ (33,553,807)                                      | (75,077)                    | (33,628,884) |

General Revenues, Transfers and Other Items:

|                                                           |  |  |  |  |               |            |               |
|-----------------------------------------------------------|--|--|--|--|---------------|------------|---------------|
| Taxes:                                                    |  |  |  |  |               |            |               |
| Property Taxes, Levied for General Purposes, Net          |  |  |  |  | 35,895,098    |            | 35,895,098    |
| Federal and State Aid not Restricted                      |  |  |  |  | 13,520        |            | 13,520        |
| Interest and Miscellaneous Revenue                        |  |  |  |  | 200,566       | 10,297     | 210,863       |
| Prior Year Accounts Payable Canceled                      |  |  |  |  | 75,000        |            | 75,000        |
| Capital Assets Disposals, Net of Accumulated Depreciation |  |  |  |  |               | (5,262)    | (5,262)       |
| Transfers                                                 |  |  |  |  | (79,000)      | 79,000     |               |
| Total General Revenues, Transfers and Other Items         |  |  |  |  | 36,105,184    | 84,035     | 36,189,219    |
| Change in Net Position                                    |  |  |  |  | 2,551,377     | 8,958      | 2,560,335     |
| Net Position - Beginning (Restated)                       |  |  |  |  | 15,703,429    | 126,179    | 15,829,608    |
| Net Position - Ending                                     |  |  |  |  | \$ 18,254,806 | \$ 135,137 | \$ 18,389,943 |

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, 2025

|                                      | General<br>Fund      | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Total<br>Governmental<br>Funds |
|--------------------------------------|----------------------|----------------------------|-----------------------------|--------------------------------|
| <b>ASSETS</b>                        |                      |                            |                             |                                |
| Cash and Cash Equivalents            | \$ 393,750           | \$ 37,645                  |                             | \$ 431,395                     |
| Investments                          | 1,141,488            |                            |                             | 1,141,488                      |
| Interfund Receivables                | 42,446               |                            |                             | 42,446                         |
| Receivables from State Government    | 576,572              |                            |                             | 576,572                        |
| Receivables from Federal Government  |                      | 11,803                     |                             | 11,803                         |
| Prepaid Expenses                     | 258,962              |                            |                             | 258,962                        |
| Other Accounts Receivable            | 15,141               |                            |                             | 15,141                         |
| Restricted Cash and Cash Equivalents | 8,627,248            | 27,436                     |                             | 8,654,684                      |
| Total Assets                         | <u>\$ 11,055,607</u> | <u>\$ 76,884</u>           | <u>\$ -0-</u>               | <u>\$ 11,132,491</u>           |
| <b>LIABILITIES AND FUND BALANCES</b> |                      |                            |                             |                                |
| Liabilities:                         |                      |                            |                             |                                |
| Accounts Payable                     | \$ 275,861           | \$ 4,144                   |                             | \$ 280,005                     |
| Interfund Payable                    |                      | 377                        |                             | 377                            |
| Payable to Federal Government        |                      | 19,261                     |                             | 19,261                         |
| Payable to State Government          |                      | 1,550                      |                             | 1,550                          |
| Unearned Revenue                     | 81,810               | 24,116                     |                             | 105,926                        |
| Total Liabilities                    | <u>357,671</u>       | <u>49,448</u>              |                             | <u>407,119</u>                 |
| Fund Balances:                       |                      |                            |                             |                                |
| Nonspendable                         | 258,962              |                            |                             | 258,962                        |
| Restricted:                          |                      |                            |                             |                                |
| Capital Reserve Account              | 6,069,142            |                            |                             | 6,069,142                      |
| Maintenance Reserve Account          | 1,500,711            |                            |                             | 1,500,711                      |
| Emergency Reserve                    | 300,000              |                            |                             | 300,000                        |
| Unemployment Compensation            | 757,395              |                            |                             | 757,395                        |
| Excess Surplus - 2026-2027           | 200,000              |                            |                             | 200,000                        |
| Excess Surplus - 2025-2026           | 200,000              |                            |                             | 200,000                        |
| Student Activities                   |                      | 27,436                     |                             | 27,436                         |
| Assigned:                            |                      |                            |                             |                                |
| Other Purposes                       | 1,146,212            |                            |                             | 1,146,212                      |
| Unassigned                           | 265,514              |                            |                             | 265,514                        |
| Total Fund Balances                  | <u>10,697,936</u>    | <u>27,436</u>              |                             | <u>10,725,372</u>              |
| Total Liabilities and Fund Balances  | <u>\$ 11,055,607</u> | <u>\$ 76,884</u>           | <u>\$ -0-</u>               | <u>\$ 11,132,491</u>           |

DENVILLE TOWNSHIP SCHOOL DISTRICTBALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2025

(Continued)

|                                                                                                                                                                                                                                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Total Fund Balances (Above)                                                                                                                                                                                                                  | \$ 10,725,372               |
| Amounts Reported for <i>Governmental Activities</i> 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.                                                                                                                      | 17,568,719                  |
| Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.                                                                                                                       | 1,030,601                   |
| 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                                                                                                                                                                                                                            | 1,763,866                   |
| Deferred Inflows                                                                                                                                                                                                                             | (597,982)                   |
| 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.    | (817,901)                   |
| 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 Statement of Net Position. | <u>(11,417,869)</u>         |
| Net Position of Governmental Activities                                                                                                                                                                                                      | <u><u>\$ 18,254,806</u></u> |

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, 2025

|                                                        | General<br>Fund | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Total<br>Governmental<br>Funds |
|--------------------------------------------------------|-----------------|----------------------------|-----------------------------|--------------------------------|
| REVENUES                                               |                 |                            |                             |                                |
| Local Sources:                                         |                 |                            |                             |                                |
| Local Tax Levy                                         | \$ 35,895,098   |                            |                             | \$ 35,895,098                  |
| Tuition                                                | 91,400          |                            |                             | 91,400                         |
| Rents and Royalties                                    | 32,000          |                            |                             | 32,000                         |
| Interest on Maintenance Reserve Funds                  | 7,037           |                            |                             | 7,037                          |
| Interest on Capital Reserve Funds                      | 24,190          |                            |                             | 24,190                         |
| Restricted Miscellaneous                               |                 | \$ 111,014                 |                             | 111,014                        |
| Unrestricted Miscellaneous                             | 169,339         |                            |                             | 169,339                        |
| Total - Local Sources                                  | 36,219,064      | 111,014                    |                             | 36,330,078                     |
| State Sources                                          | 11,719,596      | 38,451                     |                             | 11,758,047                     |
| Federal Sources                                        | 13,520          | 610,597                    | \$ 1,254,769                | 1,878,886                      |
| Total Revenues                                         | 47,952,180      | 760,062                    | 1,254,769                   | 49,967,011                     |
| EXPENDITURES                                           |                 |                            |                             |                                |
| Current:                                               |                 |                            |                             |                                |
| Regular Instruction                                    | 10,573,986      | 144,270                    |                             | 10,718,256                     |
| Special Education Instruction                          | 4,950,769       | 419,582                    |                             | 5,370,351                      |
| Other Special Instruction                              | 486,699         |                            |                             | 486,699                        |
| Other Instruction                                      | 190,872         |                            |                             | 190,872                        |
| Support Services and Undistributed Costs:              |                 |                            |                             |                                |
| Tuition                                                | 1,022,281       |                            |                             | 1,022,281                      |
| Student & Instruction Related Services                 | 4,223,020       | 166,959                    |                             | 4,389,979                      |
| General Administrative Services                        | 701,609         |                            |                             | 701,609                        |
| School Administrative Services                         | 1,411,121       |                            |                             | 1,411,121                      |
| Central Services                                       | 396,680         |                            |                             | 396,680                        |
| Administration Information Technology                  | 302,930         |                            |                             | 302,930                        |
| Plant Operations and Maintenance                       | 3,152,547       |                            |                             | 3,152,547                      |
| Pupil Transportation                                   | 2,187,256       |                            |                             | 2,187,256                      |
| Allocated and Unallocated Benefits                     | 16,300,027      |                            |                             | 16,300,027                     |
| Capital Outlay                                         | 2,701,701       | 38,451                     | 7,400                       | 2,747,552                      |
| Transfer of Funds to Charter Schools                   | 98,780          |                            |                             | 98,780                         |
| Total Expenditures                                     | 48,700,278      | 769,262                    | 7,400                       | 49,476,940                     |
| Excess/(Deficit) of Revenues over/(under) Expenditures | (748,098)       | (9,200)                    | 1,247,369                   | 490,071                        |
| OTHER FINANCING SOURCES/(USES)                         |                 |                            |                             |                                |
| Leases (non-budgeted)                                  | 1,224,035       |                            |                             | 1,224,035                      |
| Prior Year Accounts Payable Canceled                   |                 |                            | 75,000                      | 75,000                         |
| Transfers                                              | 396,948         |                            | (475,948)                   | (79,000)                       |
| Total Other Financing Sources/(Uses)                   | 1,620,983       |                            | (400,948)                   | 1,220,035                      |
| Net Change in Fund Balances                            | 872,885         | (9,200)                    | 846,421                     | 1,710,106                      |
| Fund Balance/(Deficit) — July 1                        | 9,825,051       | 36,636                     | (846,421)                   | 9,015,266                      |
| Fund Balance — June 30                                 | \$ 10,697,936   | \$ 27,436                  | \$ -0-                      | \$ 10,725,372                  |

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, 2025

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 1,710,106

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 | \$ 1,551,905       |         |
| Disposals               | (75,000)           |         |
| Depreciation Expense    | <u>(1,226,046)</u> | 250,859 |

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  | \$ (283,199)     |         |
| Lease Asset Additions | <u>1,224,035</u> | 940,836 |

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. (1,224,035)

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. 536,791

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. 98,987

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 | (222,234) |
| Change in Deferred Outflows     | 471,353   |
| Change in Deferred Inflows      | 69,370    |

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 (+). (80,656)

Change in Net Position of Governmental Activities (A-2) \$ 2,551,377

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, 2025

|                                             | <u>Business-type<br/>Activities -<br/>Enterprise Funds<br/>Food Service</u> |
|---------------------------------------------|-----------------------------------------------------------------------------|
| ASSETS:                                     |                                                                             |
| Current Assets:                             |                                                                             |
| Cash and Cash Equivalents                   | \$ 83,311                                                                   |
| Interfund Receivable - Special Revenue Fund | 377                                                                         |
| Accounts Receivable:                        |                                                                             |
| Federal                                     | 3,661                                                                       |
| State                                       | 119                                                                         |
| Total Current Assets                        | <u>87,468</u>                                                               |
| Non-Current Assets:                         |                                                                             |
| Capital Assets                              | 186,254                                                                     |
| Less: Accumulated Depreciation              | <u>(96,139)</u>                                                             |
| Total Non-Current Assets                    | <u>90,115</u>                                                               |
| Total Assets                                | <u>177,583</u>                                                              |
| LIABILITIES:                                |                                                                             |
| Current Liabilities:                        |                                                                             |
| Interfund Payable - General Fund            | <u>42,446</u>                                                               |
| Total Current Liabilities                   | <u>42,446</u>                                                               |
| Total Liabilities                           | <u>42,446</u>                                                               |
| NET POSITION:                               |                                                                             |
| Investment in Capital Assets                | 90,115                                                                      |
| Unrestricted                                | <u>45,022</u>                                                               |
| Total Net Position                          | <u>\$ 135,137</u>                                                           |

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, 2025

|                                                          | Business-type<br>Activities -<br>Enterprise Fund<br><u>Food Service</u> |
|----------------------------------------------------------|-------------------------------------------------------------------------|
| Operating Revenue:                                       |                                                                         |
| Charges for Services:                                    |                                                                         |
| Daily Sales - Reimbursable Programs                      | \$ 25,404                                                               |
| Total Operating Revenue                                  | <u>25,404</u>                                                           |
| Operating Expenses:                                      |                                                                         |
| Cost of Sales - Reimbursable Programs                    | 120,023                                                                 |
| Salaries                                                 | 28,958                                                                  |
| Depreciation                                             | 13,738                                                                  |
| Miscellaneous Expenses                                   | 2,426                                                                   |
| Total Operating Expenses                                 | <u>165,145</u>                                                          |
| Operating Loss                                           | <u>(139,741)</u>                                                        |
| Non-Operating Revenue:                                   |                                                                         |
| Federal Sources:                                         |                                                                         |
| Special Milk Program                                     | 7,806                                                                   |
| Federal Lunch                                            | 55,057                                                                  |
| State Sources:                                           |                                                                         |
| School Lunch Program                                     | 1,801                                                                   |
| Local Sources:                                           |                                                                         |
| Interest Revenue                                         | 297                                                                     |
| Donation from Special Services                           | 10,000                                                                  |
| Total Non-Operating Revenue                              | <u>74,961</u>                                                           |
| Change in Net Position Before Transfer and Other Items   | (64,780)                                                                |
| Transfer - General Fund                                  | 79,000                                                                  |
| Capital Asset Disposals, Net of Accumulated Depreciation | <u>(5,262)</u>                                                          |
| Change in Net Position                                   | 8,958                                                                   |
| Net Position - Beginning of Year                         | <u>126,179</u>                                                          |
| Net Position - End of Year                               | <u><u>\$ 135,137</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, 2025

|                                                                                   | Business-type<br>Activities -<br>Enterprise Funds<br><u>Food Service</u> |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Cash Flows from Operating Activities:                                             |                                                                          |
| Receipts from Customers                                                           | \$ 25,404                                                                |
| Payments for Salaries - District Employee                                         | (28,958)                                                                 |
| Payments to Suppliers                                                             | <u>(122,449)</u>                                                         |
| Net Cash Used for Operating Activities                                            | <u>(126,003)</u>                                                         |
| Cash Flows from Investing Activities:                                             |                                                                          |
| Interest Revenue                                                                  | <u>297</u>                                                               |
| Net Cash Provided by Investing Activities                                         | <u>297</u>                                                               |
| Cash Flows from Noncapital Financing Activities:                                  |                                                                          |
| Interfund Returned - General Fund                                                 | (24,786)                                                                 |
| Interfund Advanced - General Fund                                                 | 47,458                                                                   |
| Cash Received from Federal Sources                                                | 53,055                                                                   |
| Cash Received from State Sources                                                  | 1,469                                                                    |
| Donation from Special Services                                                    | 10,000                                                                   |
| Board Contribution - General Fund                                                 | <u>79,000</u>                                                            |
| Net Cash Provided by Noncapital Financing Activities                              | <u>166,196</u>                                                           |
| Net Increase in Cash and Cash Equivalents                                         | 40,490                                                                   |
| Cash and Cash Equivalents, July 1                                                 | <u>42,821</u>                                                            |
| Cash and Cash Equivalents, June 30                                                | <u><u>\$ 83,311</u></u>                                                  |
| Reconciliation of Operating Loss to Net Cash Used for Operating Activities:       |                                                                          |
| Operating Loss                                                                    | \$ (139,741)                                                             |
| Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities: |                                                                          |
| Depreciation                                                                      | <u>13,738</u>                                                            |
| Net Cash Used for Operating Activities                                            | <u><u>\$ (126,003)</u></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, 2025

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, 2025  
(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, 2025  
(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following governmental funds: (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, 2025

(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 and special revenue funds. The budget for the fiscal year ended June 30, 2025 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<br>Fund      | Special<br>Revenue<br>Fund |
|--------------------------------------------------------------------|----------------------|----------------------------|
| Sources/Inflows of Resources:                                      |                      |                            |
| Actual Amounts (Budgetary Basis) "Revenue"                         |                      |                            |
| from the Budgetary Comparison Schedule                             | \$ 47,999,222        | \$ 765,127                 |
| 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                                          |                      | (31,481)                   |
| Cancellation of Prior Year Encumbrances                            |                      | (1,326)                    |
| Prior Year Encumbrances                                            |                      | 27,742                     |
| Prior Year State Aid Payments Recognized for GAAP Statements, not  |                      |                            |
| Recognized for Budgetary Purposes                                  | 289,269              |                            |
| Current Year State Aid Payments Recognized for Budgetary Purposes, |                      |                            |
| not Recognized for GAAP Statements                                 | (336,311)            |                            |
| Total Revenues as Reported on the Statement of Revenues,           |                      |                            |
| Expenditures and Changes in Fund Balances - Governmental Funds.    | <u>\$ 47,952,180</u> | <u>\$ 760,062</u>          |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

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

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

|                                                                                                                                                                                                                            | General<br>Fund              | Special<br>Revenue<br>Fund |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------|
| Uses/Outflows of Resources:                                                                                                                                                                                                |                              |                            |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the<br>Budgetary Comparison Schedule                                                                                                                                | \$ 48,700,278                | \$ 774,327                 |
| Differences - Budget to GAAP:                                                                                                                                                                                              |                              |                            |
| Encumbrances for Supplies and Equipment Ordered but<br>Not Received are Reported in the Year the Order is Placed for<br>Budgetary Purposes, but in the Year the Supplies are Received<br>for Financial Reporting Purposes: |                              |                            |
| Current Year Encumbrances                                                                                                                                                                                                  |                              | (31,481)                   |
| Cancellation of Prior Year Encumbrances                                                                                                                                                                                    |                              | (1,326)                    |
| Prior Year Encumbrances                                                                                                                                                                                                    |                              | 27,742                     |
| Total Expenditures as Reported on the Statement of Revenues,<br>Expenditures, and Changes in Fund Balances - Governmental Funds                                                                                            | <u>\$ 48,700,278</u>         | <u>\$ 769,262</u>          |
|                                                                                                                                                                                                                            |                              |                            |
|                                                                                                                                                                                                                            | <u>Capital Projects Fund</u> |                            |
|                                                                                                                                                                                                                            | Revenue                      | Fund Balance               |
| Revenue and Fund Balance (Deficit) per Summary Schedule of Revenue,<br>Expenditures and Changes in Fund Balance (Budgetary Basis)                                                                                          | \$ -0-                       | \$ -0-                     |
| Reconciliation to Governmental Funds Statement (GAAP):                                                                                                                                                                     |                              |                            |
| Grant Receivable Recognized on GAAP Basis                                                                                                                                                                                  | <u>1,254,769</u>             |                            |
| Revenue and Fund Balance/(Deficit) per Governmental Funds (GAAP)                                                                                                                                                           | <u>\$ 1,254,769</u>          | <u>\$ -0-</u>              |

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.

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(Continued)

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

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

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.

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 \$79,000 in 2024/2025.

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.

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(Continued)

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

Inventories are recorded as assets as they benefit future periods.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

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.

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(Continued)

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

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.

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, 2025 other than salaries and wages for June overtime and stipends that were not paid out until the summer of 2025.

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.

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(Continued)

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

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.

T. Fund Balance Appropriated:

General Fund: Of the \$10,697,969 General Fund fund balance at June 30, 2025, \$6,069,142 is restricted in the capital reserve account; \$1,500,711 is restricted in the maintenance reserve account; \$300,000 is restricted in the emergency reserve; \$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, 2027; \$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, 2026; \$1,146,212 is assigned for encumbrances; \$757,395 is restricted for unemployment compensation; and \$265,514 is unassigned which is \$336,311 less than the calculated maximum unassigned fund balance, on a budgetary basis, due to the final two state aid payments not being recognized until the fiscal year ended June 30, 2026 and \$258,962 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, 2025 of \$27,436 is restricted for student activities.

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 \$7,754,394 in governmental activities, which is primarily due to compensated absences payable, net pension liability, and deferred outflows and inflows of resources related to pensions. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(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, 2025.

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, 2025.

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, 2025.

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, 2025  
(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.

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.

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(Continued)

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.

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;

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(Continued)

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

Investments: (Cont'd)

- (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;
  - (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

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(Continued)

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

Investments: (Cont'd)

- (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, 2025, cash and cash equivalents of the District consisted of the following:

|                          | <u>Investments</u>  | <u>Cash and Cash Equivalents</u> |                     |                      |
|--------------------------|---------------------|----------------------------------|---------------------|----------------------|
|                          | <u>Unrestricted</u> | <u>Unrestricted</u>              | <u>Restricted</u>   | <u>Total</u>         |
| Checking                 |                     | \$ 514,706                       | \$ 8,654,684        | \$ 9,169,390         |
| Certificates of Deposits | \$ 1,141,488        |                                  |                     | 1,141,488            |
|                          | <u>\$ 1,141,488</u> | <u>\$ 514,706</u>                | <u>\$ 8,654,684</u> | <u>\$ 10,310,878</u> |

During the period ended June 30, 2025, 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, 2025 was \$10,310,878 and the bank balance was \$11,088,191.

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. The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

|                                                         |                     |
|---------------------------------------------------------|---------------------|
| Beginning Balance, July 1, 2024                         | \$ 5,457,340        |
| Add: Interest Earnings                                  | 24,190              |
| Transfer by Board Resolution June 23, 2025              | 1,327,880           |
| Unexpended Balances Returned                            | 63,784              |
| Unexpended Balances Returned from Capital Projects Fund | 475,948             |
| Less: Withdrawal by Budget                              | <u>(1,280,000)</u>  |
| Ending Balance, June 30, 2025                           | <u>\$ 6,069,142</u> |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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, 2025, the District did not have any transfers to capital outlay.

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.

The activity of the maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:.

|                                            |                     |
|--------------------------------------------|---------------------|
| Beginning Balance, July 1, 2024            | \$ 1,500,711        |
| Add: Interest Earnings                     | 7,037               |
| Transfer by Board Resolution June 23, 2025 | 120,777             |
| Returned Unexpended Balances               | 220,915             |
| Less: Withdrawal by Board Resolutions      | (63,229)            |
| Budgeted Withdrawal                        | (285,500)           |
| Ending Balance, June 30, 2025              | <u>\$ 1,500,711</u> |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

|                                                                             | Beginning<br>Balance | Increases   | Adjustments/<br>Decreases | Ending<br>Balance |
|-----------------------------------------------------------------------------|----------------------|-------------|---------------------------|-------------------|
| Governmental Activities:                                                    |                      |             |                           |                   |
| Capital Assets not Being Depreciated:                                       |                      |             |                           |                   |
| Sites (Land)                                                                | \$ 105,150           |             |                           | \$ 105,150        |
| Contruction in Progress                                                     | 1,643,540            | \$ 7,400    | \$ (1,650,940)            |                   |
| Total Capital Assets Not Being Depreciated                                  | 1,748,690            | 7,400       | (1,650,940)               | 105,150           |
| Capital Assets Being Depreciated:                                           |                      |             |                           |                   |
| Site Improvements                                                           | 435,305              | 155,565     |                           | 590,870           |
| Buildings and Building Improvements                                         | 32,312,169           | 865,731     | 1,575,940                 | 34,753,840        |
| Machinery and Equipment                                                     | 3,641,487            | 523,209     |                           | 4,164,696         |
| Total Capital Assets Being Depreciated                                      | 36,388,961           | 1,544,505   | 1,575,940                 | 39,509,406        |
| Governmental Activities Capital Assets                                      | 38,137,651           | 1,551,905   | (75,000)                  | 39,614,556        |
| Less Accumulated Depreciation for:                                          |                      |             |                           |                   |
| Site Improvements                                                           | (32,205)             | (10,734)    |                           | (42,939)          |
| Buildings and Building Improvements                                         | (18,364,739)         | (1,005,341) |                           | (19,370,080)      |
| Machinery and Equipment                                                     | (2,422,847)          | (209,971)   |                           | (2,632,818)       |
|                                                                             | (20,819,791)         | (1,226,046) |                           | (22,045,837)      |
| Governmental Activities Capital Assets,<br>Net of Accumulated Depreciation  | \$ 17,317,860        | \$ 325,859  | \$ (75,000)               | \$ 17,568,719     |
| Business-Type Activities:                                                   |                      |             |                           |                   |
| Capital Assets Being Depreciated:                                           |                      |             |                           |                   |
| Machinery and Equipment                                                     | \$ 194,362           |             | \$ (8,108)                | \$ 186,254        |
| Less Accumulated Depreciation                                               | (85,247)             | \$ (13,738) | 2,846                     | (96,139)          |
| Business-Type Activities Capital Assets,<br>Net of Accumulated Depreciation | \$ 109,115           | \$ (13,738) | \$ (5,262)                | \$ 90,115         |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

As of June 30, 2025, depreciation expense was charged to governmental functions as follows:

|                                        |                     |
|----------------------------------------|---------------------|
| Regular Instruction                    | \$ 72,567           |
| Special Instruction                    | 36,198              |
| Other Instruction                      | 33,507              |
| General Administrative                 | 28,075              |
| School Administrative                  | 26,825              |
| School Sponsored Instruction           | 17,620              |
| Student & Instruction Related Services | 41,453              |
| Plant Operations and Maintenance       | 163,424             |
| Pupil Transportation                   | 806,377             |
|                                        | <u>\$ 1,226,046</u> |

NOTE 8. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2025 were as follows:

|                                                                          | Beginning<br>Balance | Increases         | Adjustments/<br>Decreases | Ending<br>Balance   |
|--------------------------------------------------------------------------|----------------------|-------------------|---------------------------|---------------------|
| Governmental Activities:                                                 |                      |                   |                           |                     |
| Lease Assets Being Amortized:                                            |                      |                   |                           |                     |
| Buildings                                                                |                      | \$ 1,224,035      |                           | \$ 1,224,035        |
| Machinery and Equipment                                                  | \$ 198,046           |                   | \$ (70,136)               | 127,910             |
| Total Lease Assets Being Amortized                                       | 198,046              | 1,224,035         | (70,136)                  | 1,351,945           |
| Governmental Activities Lease Assets                                     | 198,046              | 1,224,035         | (70,136)                  | 1,351,945           |
| Less Accumulated Amortization for:                                       |                      |                   |                           |                     |
| Buildings                                                                |                      | (244,807)         |                           | (244,807)           |
| Machinery and Equipment                                                  | (108,281)            | (38,392)          | 70,136                    | (76,537)            |
|                                                                          | (108,281)            | (283,199)         | 70,136                    | (321,344)           |
| Governmental Activities Lease Assets,<br>Net of Accumulated Amortization | <u>\$ 89,765</u>     | <u>\$ 940,836</u> | <u>\$ -0-</u>             | <u>\$ 1,030,601</u> |

Amortization expense was charged to governmental functions as follows:

|                                                |                   |
|------------------------------------------------|-------------------|
| Regular Instruction                            | \$ 141,599        |
| Special Education Instruction                  | 56,640            |
| Other Instruction                              | 28,320            |
| Student and Other Instruction Related Services | 28,320            |
| Operations and Maintenance of Plant            | 28,320            |
|                                                | <u>\$ 283,199</u> |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2025, the following changes occurred in liabilities reported in the district-wide financial statements:

|                              | (Restated)<br>Balance<br>6/30/2024 | Accrued             | Retired           | Balance<br>6/30/2025 | Due within<br>One Year |
|------------------------------|------------------------------------|---------------------|-------------------|----------------------|------------------------|
| Compensated Absences Payable | \$ 1,999,696                       | \$ 113,458          | \$ 32,802         | \$ 2,080,352         |                        |
| Net Pension Liability        | 7,470,479                          | 222,234             |                   | 7,692,713            |                        |
| Leases Payable               | 92,561                             | 1,224,035           | 536,791           | 779,805              | \$ 25,078              |
| Financed Purchases Payable   | 963,986                            |                     | 98,987            | 864,999              | 123,871                |
|                              | <u>\$ 10,526,722</u>               | <u>\$ 1,559,727</u> | <u>\$ 668,580</u> | <u>\$ 11,417,869</u> | <u>\$ 148,949</u>      |

A. Bonds Premiums:

As of June 30, 2025, the Board had no unamortized bond issuance premiums.

B. Bonds Payable:

As of June 30, 2025, the Board had no bonds payable.

C. Bonds Authorized But Not Issued:

As of June 30, 2025, the Board had no bonds authorized but not issued.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. The current portion of the compensated absences balance of the governmental funds is \$-0- and is separated from the long-term portion of \$2,080,352.

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, 2025, 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 \$1,895,428. As of June 30, 2025, \$1,030,429 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, 2025.

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(Continued)

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

E. Financed Purchases Payable: (Cont'd)

| Fiscal Year<br>Ending June 30,                           | Amount            |
|----------------------------------------------------------|-------------------|
| 2026                                                     | \$ 123,871        |
| 2027                                                     | 127,114           |
| 2028                                                     | 130,435           |
| 2029                                                     | 133,838           |
| 2030                                                     | 137,324           |
| 2031-2032                                                | 291,082           |
| Total Minimum Financed Purchases Payments                | 943,664           |
| Less: Amount Representing Interest                       | (78,665)          |
| Present Value of Net Minimum Financed Purchases Payments | <u>\$ 864,999</u> |

The current portion of the financed purchases payable at June, 2025 is \$123,871 and the long-term portion is \$741,128. The financed purchases payable will be liquidated by the General Fund.

F. Leases Payable:

The District had leases outstanding as of June, 30, 2025 as follows:

| Purpose                    | Commencement<br>Date | Frequency<br>of Payment | Final Maturity<br>Date | Interest<br>Rate | Amount            |
|----------------------------|----------------------|-------------------------|------------------------|------------------|-------------------|
| E-Studio Copier            | 03/15/22             | Monthly                 | 06/15/27               | 2.10%            | \$ 41,715         |
| St. Mary's Building Rental | 07/01/24             | Monthly                 | 06/30/29               | 3.00%            | 726,945           |
| Toshiba Estudio Copier     | 01/09/23             | Monthly                 | 03/09/28               | 4.25%            | 11,145            |
|                            |                      |                         |                        |                  | <u>\$ 779,805</u> |

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

| Fiscal Year<br>Ending June 30, | <u>Governmental Activities</u> |                  |
|--------------------------------|--------------------------------|------------------|
|                                | Principal                      | Interest         |
| 2026                           | \$ 25,078                      | \$ 1,070         |
| 2027                           | 269,657                        | 19,808           |
| 2028                           | 245,213                        | 27,217           |
| 2029                           | 239,857                        | 34,955           |
|                                | <u>\$ 779,805</u>              | <u>\$ 83,050</u> |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(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, 2025 is \$-0- and the long-term portion is \$7,692,713. 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.nj.gov/treasury/pensions/annual-reports.shtml](http://www.nj.gov/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:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 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, 2025

(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 have determined the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being 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 is adjusted by the rate of return on the actuarial value of assets. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

District contributions to PERS amounted to \$778,037 for the current fiscal year. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$24,801 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

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be 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 under the legislation 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 statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2025, the District reported a liability of \$7,692,713 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.0566%, which was an increase of 0.005% as of June 30, 2023.

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(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)

For the fiscal year ended June 30, 2025, the District recognized an actual pension expense of \$451,867. Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense on behalf of the District in the amount of \$24,801 and the District recognized pension expense and revenue for in the fiscal year ended June 30, 2025 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2025.

At June 30, 2025, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

|                                                                                                | Deferral<br>Year | Amortization<br>Period<br>in Years | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|------------------------------------------------------------------------------------------------|------------------|------------------------------------|--------------------------------------|-------------------------------------|
| Changes in Assumptions                                                                         | 2020             | 5.21                               |                                      | \$ 55,903                           |
|                                                                                                | 2021             | 5.16                               | \$ 9,557                             |                                     |
|                                                                                                | 2022             | 5.13                               |                                      | 31,622                              |
|                                                                                                |                  |                                    | <u>9,557</u>                         | <u>87,525</u>                       |
| Changes in Proportion                                                                          | 2020             | 5.16                               | 16,906                               |                                     |
|                                                                                                | 2021             | 5.13                               | 11,957                               |                                     |
|                                                                                                | 2022             | 5.40                               | 139,082                              |                                     |
|                                                                                                | 2023             | 5.08                               |                                      | 133,287                             |
|                                                                                                | 2024             | 5.08                               | 614,364                              |                                     |
|                                                                                                |                  |                                    | <u>782,309</u>                       | <u>133,287</u>                      |
| Net Difference Between Projected and Actual<br>Investment Earnings on Pension Plan Investments | 2021             | 5.00                               |                                      | 528,055                             |
|                                                                                                | 2022             | 5.00                               |                                      | (837,677)                           |
|                                                                                                | 2023             | 5.00                               |                                      | 217,224                             |
|                                                                                                | 2024             | 5.00                               |                                      | 449,088                             |
|                                                                                                |                  |                                    |                                      | <u>356,690</u>                      |
| Difference Between Expected and Actual<br>Experience                                           | 2020             | 5.16                               | 3,115                                |                                     |
|                                                                                                | 2021             | 5.13                               |                                      | 7,600                               |
|                                                                                                | 2022             | 5.04                               |                                      | 12,880                              |
|                                                                                                | 2023             | 5.08                               | 39,571                               |                                     |
|                                                                                                | 2024             | 5.08                               | 111,413                              |                                     |
|                                                                                                |                  |                                    | <u>154,099</u>                       | <u>20,480</u>                       |
| District Contribution Subsequent to the<br>Measurement Date                                    | 2024             | 1.00                               | 817,901                              |                                     |
|                                                                                                |                  |                                    | <u>\$ 1,763,866</u>                  | <u>\$ 597,982</u>                   |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(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<br>Ending June 30, | Total             |
|--------------------------------|-------------------|
| 2025                           | \$ (123,643)      |
| 2026                           | 429,583           |
| 2027                           | (35,367)          |
| 2028                           | 63,181            |
| 2029                           | 14,229            |
|                                | <u>\$ 347,983</u> |

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2023 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, 2025  
(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, 2024) 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, 2024 are summarized in the table below:

| Asset Class                      | Target<br>Allocation | Long-Term<br>Expected Real<br>Rate of Return |
|----------------------------------|----------------------|----------------------------------------------|
| U.S. Equity                      | 28.00%               | 8.63%                                        |
| Non-U.S. Developed Market Equity | 12.75%               | 8.85%                                        |
| International Small Cap Equity   | 1.25%                | 8.85%                                        |
| Emerging Markets Equity          | 5.50%                | 10.66%                                       |
| Private Equity                   | 13.00%               | 12.40%                                       |
| Real Estate                      | 8.00%                | 10.95%                                       |
| Real Assets                      | 3.00%                | 8.20%                                        |
| High Yield                       | 4.50%                | 6.74%                                        |
| Private Credit                   | 8.00%                | 8.90%                                        |
| Investment Grade Credit          | 7.00%                | 5.37%                                        |
| Cash Equivalents                 | 2.00%                | 3.57%                                        |
| U.S. Treasuries                  | 4.00%                | 3.57%                                        |
| Risk Mitigation Strategies       | 3.00%                | 7.10%                                        |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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, 2025  
(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, 2024 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, 2024 |               |              |
|-------------------------------------------------------------|---------------|---------------|--------------|
|                                                             | 1%            | Current       | 1%           |
|                                                             | Decrease      | Discount Rate | Increase     |
|                                                             | (6.00%)       | (7.00%)       | (8.00%)      |
| District's proportionate share of the Net Pension Liability | \$ 10,221,725 | \$ 7,692,713  | \$ 5,540,539 |

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](http://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, 2025  
(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 to 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 2024, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating 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 2025, the State of New Jersey contributed \$5,086,395 to the TPAF for normal pension benefits on behalf of the District, which was more than the contractually required benefit of (\$211,970).

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, 2025, the District reported a liability of \$58,108,291 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.118%, which was a decrease of 0.001% as of June 30, 2023.

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(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>58,108,291</u>           |
| Total                                                                                 | <u><u>\$ 58,108,291</u></u> |

For the fiscal year ended June 30, 2024, the State recognized pension benefit on behalf of the District in the amount of \$211,970 and the District recognized pension expense and revenue for the fiscal year ended June 30, 2025 financial statements. The State reported collective deferred outflows and inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

|                                                                                                   | Year of<br>Deferral | Amortization<br>Period<br>in Years | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---------------------------------------------------------------------------------------------------|---------------------|------------------------------------|--------------------------------------|-------------------------------------|
| Changes in Assumptions                                                                            | 2017                | 8.30                               |                                      | \$ 480,199,664                      |
|                                                                                                   | 2018                | 8.29                               |                                      | 1,060,765,245                       |
|                                                                                                   | 2019                | 8.04                               |                                      | 1,016,333,107                       |
|                                                                                                   | 2020                | 7.99                               | \$ 603,633,698                       |                                     |
|                                                                                                   | 2021                | 7.93                               |                                      | 7,317,559,989                       |
|                                                                                                   | 2022                | 7.83                               | 67,989,902                           |                                     |
|                                                                                                   |                     |                                    | <u>671,623,600</u>                   | <u>9,874,858,005</u>                |
| Difference Between Expected<br>and Actual Experience                                              | 2017                | 8.30                               | 8,543,764                            |                                     |
|                                                                                                   | 2018                | 8.29                               | 186,086,527                          |                                     |
|                                                                                                   | 2019                | 8.04                               |                                      | 39,486,140                          |
|                                                                                                   | 2020                | 7.99                               |                                      | 3,217,090                           |
|                                                                                                   | 2021                | 7.93                               | 97,106,767                           |                                     |
|                                                                                                   | 2022                | 7.83                               |                                      | 12,735,529                          |
|                                                                                                   | 2023                | 7.93                               | 144,751,819                          |                                     |
|                                                                                                   | 2024                | 7.84                               |                                      | 211,440,707                         |
|                                                                                                   |                     |                                    | <u>436,488,877</u>                   | <u>266,879,466</u>                  |
| Net Difference Between Projected and<br>Actual Investment Earnings on<br>Pension Plan Investments | 2021                | 5.00                               |                                      | 888,658,452                         |
|                                                                                                   | 2022                | 5.00                               |                                      | (1,659,667,329)                     |
|                                                                                                   | 2023                | 5.00                               |                                      | 357,972,332                         |
|                                                                                                   | 2024                | 5.00                               |                                      | 816,400,864                         |
|                                                                                                   |                     |                                    |                                      | <u>403,364,319</u>                  |
|                                                                                                   |                     |                                    | <u>\$ 1,108,112,477</u>              | <u>\$ 10,545,101,790</u>            |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(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:

| <u>Fiscal Year</u><br><u>Ending June 30,</u> | <u>Total</u>              |
|----------------------------------------------|---------------------------|
| 2025                                         | \$ (3,681,028,670)        |
| 2026                                         | (1,839,302,001)           |
| 2027                                         | (1,977,654,443)           |
| 2028                                         | (1,907,819,552)           |
| 2029                                         | 2,992,761                 |
| Thereafter                                   | (34,177,408)              |
|                                              | <u>\$ (9,436,989,313)</u> |

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2023 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, 2025  
(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, 2024) 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, 2024 are summarized in the following table:

| <u>Asset Class</u>               | <u>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|----------------------------------|------------------------------|-------------------------------------------------------|
| U.S. Equity                      | 28.00%                       | 8.63%                                                 |
| Non-U.S. Developed Market Equity | 12.75%                       | 8.85%                                                 |
| International Small Cap Equity   | 1.25%                        | 8.85%                                                 |
| Emerging Markets Equity          | 5.50%                        | 10.66%                                                |
| Private Equity                   | 13.00%                       | 12.40%                                                |
| Real Estate                      | 8.00%                        | 10.95%                                                |
| Real Assets                      | 3.00%                        | 8.20%                                                 |
| High Yield                       | 4.50%                        | 6.74%                                                 |
| Private Credit                   | 8.00%                        | 8.90%                                                 |
| Investment Grade Credit          | 7.00%                        | 5.37%                                                 |
| Cash Equivalents                 | 2.00%                        | 3.57%                                                 |
| U.S. Treasuries                  | 4.00%                        | 3.57%                                                 |
| Risk Mitigation Strategies       | 3.00%                        | 7.10%                                                 |

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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, 2025  
(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, 2024 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, 2024                |                                        |                              |
|------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|------------------------------|
|                                                                                          | At 1%<br>Decrease<br>(6.00%) | At Current<br>Discount Rate<br>(7.00%) | At 1%<br>Increase<br>(8.00%) |
| State's Proportionate Share of the Net<br>Pension Liability Associated with the District | \$ 69,069,931                | \$ 58,108,291                          | \$ 48,876,519                |

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 \$30,620 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to \$41,582 for the fiscal year ended June 30, 2025.

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(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 local 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.nj.gov/treasury/pensions/gasb-notices-opeb.shtml](http://www.nj.gov/treasury/pensions/gasb-notices-opeb.shtml).

Employees Covered by Benefit Terms

At June 30, 2023, the plan membership consisted of the following:

|                                                                                    |                       |
|------------------------------------------------------------------------------------|-----------------------|
| Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments | 153,556               |
| Active Plan Members                                                                | <u>219,185</u>        |
| Total                                                                              | <u><u>372,741</u></u> |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(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, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

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.

|                   | <u>TPAF/ABP</u>              | <u>PERS</u>                  | <u>PFRS</u>                  |
|-------------------|------------------------------|------------------------------|------------------------------|
| Salary Increases: | 2.75 - 5.65%                 | 2.75 - 6.55%                 | 3.25 - 16.25%                |
|                   | based on years<br>of service | based on years<br>of service | based on years<br>of service |

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

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 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine 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, 2025  
(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 3.93%. This represents the municipal bond return 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

|                                                    | <u>Total OPEB<br/>Liability</u> |
|----------------------------------------------------|---------------------------------|
| Balance at June 30, 2023                           | \$ 61,500,850                   |
| Changes for Year:                                  |                                 |
| Service Cost                                       | 2,891,112                       |
| Interest on the Total OPEB Liability               | 2,342,867                       |
| Changes of Assumptions                             | 5,324,734                       |
| Differences between Expected and Actual Experience | 842,079                         |
| Gross Benefit Payments by the State                | (1,789,286)                     |
| Contributions from Members                         | 61,267                          |
| Net Changes                                        | <u>9,672,773</u>                |
| Balance at June 30, 2024                           | <u>\$ 71,173,623</u>            |

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, 2024 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 was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|                                                   | <u>June 30, 2024</u>                  |                                         |                                       |
|---------------------------------------------------|---------------------------------------|-----------------------------------------|---------------------------------------|
|                                                   | <u>At 1%<br/>Decrease<br/>(2.93%)</u> | <u>At<br/>Discount Rate<br/>(3.93%)</u> | <u>At 1%<br/>Increase<br/>(4.93%)</u> |
| Total OPEB Liability Attributable to the District | \$ 83,359,556                         | \$ 71,173,623                           | \$ 61,266,218                         |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(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 Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024, 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 was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| June 30, 2024                                     |                |                               |                |
|---------------------------------------------------|----------------|-------------------------------|----------------|
|                                                   | 1%<br>Decrease | Healthcare<br>Cost Trend Rate | 1%<br>Increase |
| Total OPEB Liability Attributable to the District | \$ 59,288,146  | \$ 71,173,623                 | \$ 86,655,241  |

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

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$3,282,041 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, 2024, the State had deferred outflows and inflows of resources related to OPEB associated with the District from the following sources:

|                                                       | Year of<br>Deferral | Amortization<br>Period<br>in Years | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|-------------------------------------------------------|---------------------|------------------------------------|--------------------------------------|-------------------------------------|
| Changes in Assumptions                                | 2017                | 9.54                               |                                      | \$ 1,364,941                        |
|                                                       | 2018                | 9.51                               |                                      | 1,666,372                           |
|                                                       | 2019                | 9.29                               | \$ 262,907                           |                                     |
|                                                       | 2020                | 9.24                               | 6,781,852                            |                                     |
|                                                       | 2021                | 9.24                               | 40,059                               |                                     |
|                                                       | 2022                | 9.13                               |                                      | 10,884,215                          |
|                                                       | 2023                | 9.30                               | 98,846                               |                                     |
|                                                       | 2024                | 9.33                               | 4,754,023                            |                                     |
|                                                       |                     |                                    | <u>11,937,687</u>                    | <u>13,915,528</u>                   |
| Differences Between Expected<br>and Actual Experience | 2018                | 9.51                               |                                      | 1,575,239                           |
|                                                       | 2019                | 9.29                               |                                      | 3,094,437                           |
|                                                       | 2020                | 9.24                               | 6,320,952                            |                                     |
|                                                       | 2021                | 9.24                               |                                      | 7,703,696                           |
|                                                       | 2022                | 9.13                               | 1,120,918                            |                                     |
|                                                       | 2023                | 9.30                               |                                      | 918,244                             |
|                                                       | 2024                | 9.33                               | 169,311                              |                                     |
|                                                       |                     |                                    | <u>7,611,181</u>                     | <u>13,291,616</u>                   |
| Changes in Proportion                                 | N/A                 | N/A                                | 3,919,948                            | 751,666                             |
|                                                       |                     |                                    | <u>\$ 23,468,816</u>                 | <u>\$ 27,958,810</u>                |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(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 and Inflows of Resources Related to OPEB (Cont'd)

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

| Fiscal Year<br>Ending June 30, | Total          |
|--------------------------------|----------------|
| 2025                           | \$ (2,524,610) |
| 2026                           | (2,116,902)    |
| 2027                           | (1,005,461)    |
| 2028                           | 264,253        |
| 2029                           | (1,834,775)    |
| Thereafter                     | (440,781)      |
|                                | \$ (7,658,276) |

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. 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<br>Contributions | Interest<br>Earned | Employee<br>Contributions | Amount<br>Reimbursed | Ending<br>Balance |
|-------------|---------------------------|--------------------|---------------------------|----------------------|-------------------|
| 2024-2025   | \$ 50,000                 | \$ 8               | \$ 118,265                | \$ 135,194           | \$ 757,395        |
| 2023-2024   | 58,000                    | 15                 | 79,406                    | 86,444               | 724,316           |
| 2022-2023   | 21,807                    | -0-                | 83,182                    | 84,429               | 673,339           |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits

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, 2025 financial information is not available at the date of this report, selected financial information as of June 30, 2024 is as follows:

|                                                  |                |
|--------------------------------------------------|----------------|
| Total Assets                                     | \$ 452,862,436 |
| Net Position                                     | \$ 208,313,945 |
| Total Revenue                                    | \$ 187,698,949 |
| Total Expenses                                   | \$ 178,093,729 |
| Change in Net Position                           | \$ 7,005,220   |
| Net Assets Distribution to Participating Members | \$ 2,600,000   |

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, 2025

(Continued)

NOTE 14. INTERFUND BALANCES AND TRANSFERS

The following interfund balances existed as of June 30, 2025:

| Fund                 | Interfund<br>Receivable | Interfund<br>Payable |
|----------------------|-------------------------|----------------------|
| General Fund         | \$ 42,446               |                      |
| Special Revenue Fund |                         | \$ 377               |
| Proprietary Fund     | 377                     | 42,446               |
|                      | <u>\$ 42,823</u>        | <u>\$ 42,823</u>     |

The interfund payable in the Special Revenue Fund is expenses paid by the Proprietary Fund on behalf of Special Revenue Fund. The interfund payable in the Proprietary Fund represents an interfund loan from the General Fund to cover salaries expenses in the Proprietary Fund, as well as subsidy reimbursements collected in the General Fund. Transfers from governmental to business-type activities amounted to \$79,000 in 2024-2025 as board contribution for the Proprietary Fund.

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:

MetLife Investors  
AXA Equitable  
Lincoln Investment Planning, Inc.  
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.

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

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.

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, 2025:

|              | Governmental Funds |                      |                          |
|--------------|--------------------|----------------------|--------------------------|
|              | General Fund       | Special Revenue Fund | Total Governmental Funds |
| Encumbrances | \$ 1,146,213       | \$ 31,481            | \$ 1,177,694             |

On the District's Governmental Funds Balance Sheet as of June 30, 2025, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$31,481 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 18. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2025:

|                                     | Governmental Funds |                 |                   | District Contribution Subsequent to the Measurement Date | Total Governmental Activities |
|-------------------------------------|--------------------|-----------------|-------------------|----------------------------------------------------------|-------------------------------|
|                                     | General Fund       | Special Revenue | Total             |                                                          |                               |
| Vendors                             | \$ 154,579         | \$ 4,144        | \$ 158,723        |                                                          | \$ 158,723                    |
| Accrued Salaries and Wages          | 88,921             |                 | 88,921            |                                                          | 88,921                        |
| Payroll Deductions and Withholdings | 32,361             |                 | 32,361            |                                                          | 32,361                        |
| State of N.J.                       |                    |                 |                   | \$ 817,901                                               | 817,901                       |
|                                     | <u>\$ 275,861</u>  | <u>\$ 4,144</u> | <u>\$ 280,005</u> | <u>\$ 817,901</u>                                        | <u>\$ 1,097,906</u>           |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(Continued)

NOTE 19. EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by Board resolution in 2025 by inclusion of \$300,000 for the accumulation of funds for use as unanticipated general fund expenditures in subsequent fiscal years. The emergency reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated General Fund expenditures required for a through and efficient education.

The maximum balance permitted at any time in this reserve is the greater of \$300,000 or 1% of the General Fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution between June 1st and June 30th of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)1.

|                                   |                          |
|-----------------------------------|--------------------------|
| Beginning Balance, July 1, 2024   | \$ -0-                   |
| Add: Transfer by Board Resolution | <u>300,000</u>           |
| Ending Balance, June 30, 2025     | <u><u>\$ 300,000</u></u> |

NOTE 20. PRIOR PERIOD ADJUSTMENT

The District made a prior period adjustment in the district-wide financial statements to the compensated absences payable as of June 30, 2024 as a number of employees were inadvertently included twice in the estimate for compensated absences.

|                                                             | Balance at<br>June 30, 2024<br>as Previously<br>Reported | Error<br>Correction | Balance at<br>June 30, 2024<br>as Restated |
|-------------------------------------------------------------|----------------------------------------------------------|---------------------|--------------------------------------------|
| <u>Statement of Net Position - Governmental Activities:</u> |                                                          |                     |                                            |
| Noncurrent Liabilities:                                     |                                                          |                     |                                            |
| Due Beyond One Year                                         | \$ 10,845,234                                            | \$ (457,200)        | \$ 10,388,034                              |
| Total Liabilities                                           | 12,593,390                                               | (457,200)           | 12,136,190                                 |
| Net Position:                                               |                                                          |                     |                                            |
| Unrestricted/(Deficit)                                      | (9,223,852)                                              | 457,200             | (8,766,652)                                |
| Total Net Position                                          | 15,246,229                                               | 457,200             | 15,703,429                                 |

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

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

|                                                                                                             | Fiscal Year Ending June 30, |               |               |               |               |               |               |               |               |               |
|-------------------------------------------------------------------------------------------------------------|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                                             | 2016                        | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          | 2024          | 2025          |
| District's proportion of the net pension liability                                                          | 0.0491152006%               | 0.0506516473% | 0.0486080856% | 0.0492404107% | 0.0484179467% | 0.0508397296% | 0.0510886099% | 0.0528951307% | 0.0515761273% | 0.0566138319% |
| District's proportionate share of the net pension liability                                                 | \$ 11,025,378               | \$ 15,001,565 | \$ 11,315,185 | \$ 9,695,191  | \$ 8,724,179  | \$ 8,290,630  | \$ 6,052,212  | \$ 7,982,603  | \$ 7,470,479  | \$ 7,692,713  |
| 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  | \$ 4,536,038  |
| District's proportionate share of the net pension liability as a percentage of its covered employee payroll | 326.49%                     | 457.02%       | 346.63%       | 287.91%       | 239.21%       | 223.82%       | 164.43%       | 211.79%       | 171.66%       | 169.59%       |
| Plan fiduciary net position as a percentage of the total pension liability                                  | 47.93%                      | 40.14%        | 48.10%        | 53.60%        | 56.27%        | 58.32%        | 70.33%        | 62.91%        | 65.23%        | 68.22%        |

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

|                                                                      | Fiscal Year Ending June 30, |              |              |              |              |              |              |              |              |              |
|----------------------------------------------------------------------|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                                      | 2016                        | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         |
| Contractually required contribution                                  | \$ 422,259                  | \$ 449,982   | \$ 463,331   | \$ 494,591   | \$ 473,578   | \$ 556,162   | \$ 598,656   | \$ 672,974   | \$ 689,598   | \$ 778,037   |
| Contributions in relation to the contractually required contribution | (422,259)                   | (449,982)    | (463,331)    | (494,591)    | (473,578)    | (556,162)    | (598,656)    | (672,974)    | (689,598)    | (778,037)    |
| Contribution deficiency/(excess)                                     | \$ -0-                      | \$ -0-       | \$ -0-       | \$ -0-       | \$ -0-       | \$ -0-       | \$ -0-       | \$ -0-       | \$ -0-       | \$ -0-       |
| District's covered employee payroll                                  | \$ 3,282,452                | \$ 3,264,344 | \$ 3,367,420 | \$ 3,647,026 | \$ 3,704,068 | \$ 3,680,638 | \$ 3,769,126 | \$ 4,351,986 | \$ 4,536,038 | \$ 4,536,038 |
| Contributions as a percentage of covered employee payroll            | 12.86%                      | 13.78%       | 13.76%       | 13.56%       | 12.79%       | 15.11%       | 15.88%       | 15.46%       | 15.20%       | 17.15%       |

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 TEN FISCAL YEARS

|                                                                                                                                              | Fiscal Year Ending June 30, |               |               |               |                |               |               |               |               |               |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                                                                              | 2016                        | 2017          | 2018          | 2019          | 2020           | 2021          | 2022          | 2023          | 2024          | 2025          |
| State's proportion of the net pension liability attributable to the District                                                                 | 0.11135165468%              | 0.1129110845% | 0.1106836927% | 0.1141582583% | 0.11163182506% | 0.1150690162% | 0.1148862936% | 0.1163620629% | 0.1186394828% | 0.1175683684% |
| State's proportionate share of the net pension liability attributable to the District                                                        | \$ 71,747,305               | \$ 88,823,048 | \$ 74,626,937 | \$ 72,625,032 | \$ 71,385,608  | \$ 75,771,563 | \$ 55,231,802 | \$ 60,036,327 | \$ 60,544,895 | \$ 58,108,291 |
| 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 | \$ 15,116,360 |
| State's proportionate share of the net pension liability attributable to the District as a percentage of District's covered employee payroll | 638.05%                     | 775.48%       | 615.81%       | 595.31%       | 570.50%        | 581.40%       | 421.32%       | 435.18%       | 414.58%       | 384.41%       |
| Plan fiduciary net position as a percentage of the total pension liability                                                                   | 28.71%                      | 22.33%        | 25.41%        | 26.49%        | 26.95%         | 24.60%        | 35.52%        | 32.29%        | 34.68%        | 37.99%        |

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

|                                                                      | Fiscal Year Ending June 30, |                     |                     |                     |                     |                     |                       |                       |                       |                   |
|----------------------------------------------------------------------|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|-------------------|
|                                                                      | 2016                        | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                  | 2023                  | 2024                  | 2025              |
| Contractually required contribution                                  | \$ 4,380,819                | \$ 6,673,816        | \$ 5,169,776        | \$ 4,233,785        | \$ 4,210,514        | \$ 4,711,798        | \$ 1,299,629          | \$ 1,615,745          | \$ 1,487,412          | \$ 5,081,692      |
| Contributions in relation to the contractually required contribution | (904,010)                   | (1,201,443)         | (1,681,149)         | (2,287,698)         | (2,523,904)         | (3,339,606)         | (4,790,227)           | (4,850,054)           | (5,009,981)           | (5,086,395)       |
| Contribution deficiency/(excess)                                     | <u>\$ 3,476,809</u>         | <u>\$ 5,472,373</u> | <u>\$ 3,488,627</u> | <u>\$ 1,946,087</u> | <u>\$ 1,686,610</u> | <u>\$ 1,372,192</u> | <u>\$ (3,490,598)</u> | <u>\$ (3,234,309)</u> | <u>\$ (3,522,569)</u> | <u>\$ (4,703)</u> |
| District's covered employee payroll                                  | \$ 11,453,910               | \$ 12,118,439       | \$ 12,199,498       | \$ 12,512,883       | \$ 13,032,560       | \$ 13,109,257       | \$ 13,795,885         | \$ 14,604,052         | \$ 15,116,360         | \$ 16,096,343     |
| Contributions as a percentage of covered employee payroll            | 38.25%                      | 55.07%              | 42.38%              | 33.84%              | 32.31%              | 35.94%              | 9.42%                 | 11.06%                | 9.84%                 | 31.57%            |

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 EIGHT 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 Liability                               | (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%          |
|                                                                  |                             |               |               |               |               | 350%          |
|                                                                  |                             |               |               |               |               | 362%          |

\* - Covered payroll for the fiscal years ending June 30, 2017 through 2024 are based on the payroll on the June 30, 2016 through 2023 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, 2025

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2023 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2022 actuarial valuation the salary increases were 2.75% – 4.25% based on years of service.

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, 2024 was 3.93%. The discount rate for June 30, 2023 was 3.65%, a change of .28%.

The health care trend rates in the valuation as of June 30, 2024 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BUDGETARY COMPARISON SCHEDULES

DENVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                    | Original Budget   | Budget<br>Transfers | Final Budget      | Actual            | Variance Final<br>to Actual |
|----------------------------------------------------|-------------------|---------------------|-------------------|-------------------|-----------------------------|
| Revenues from Local Sources:                       |                   |                     |                   |                   |                             |
| Local Tax Levy                                     | \$ 35,895,098     |                     | \$ 35,895,098     | \$ 35,895,098     |                             |
| Tuition From Individuals                           |                   |                     |                   | 41,000            | \$ 41,000                   |
| Tuition From Other LEAs Within the State           |                   |                     |                   | 50,400            | 50,400                      |
| Rents and Royalties                                |                   |                     |                   | 32,000            | 32,000                      |
| Unrestricted Miscellaneous Revenues                | 90,000            |                     | 90,000            | 169,339           | 79,339                      |
| Interest Earned on Maintenance Reserve             |                   |                     |                   | 7,037             | 7,037                       |
| Interest Earned on Capital Reserve Funds           |                   |                     |                   | 24,190            | 24,190                      |
| Total Revenues from Local Sources                  | <u>35,985,098</u> |                     | <u>35,985,098</u> | <u>36,219,064</u> | <u>233,966</u>              |
| Revenues from State Sources:                       |                   |                     |                   |                   |                             |
| Categorical Transportation Aid                     | 1,221,546         |                     | 1,221,546         | 1,221,546         |                             |
| Extraordinary Aid                                  | 425,000           |                     | 425,000           | 457,766           | 32,766                      |
| Categorical Special Education Aid                  | 2,003,349         |                     | 2,003,349         | 2,003,349         |                             |
| Categorical Security Aid                           | 171,795           |                     | 171,795           | 171,795           |                             |
| Nonpublic School Transportation Costs              |                   |                     |                   | 34,558            | 34,558                      |
| Homeless Tuition Reimbursement                     |                   |                     |                   | 70,279            | 70,279                      |
| State Reimbursement for Menstrual Products         |                   |                     |                   | 4,263             | 4,263                       |
| TPAF Post Retirement Contributions (Non-Budgeted)  |                   |                     |                   | 1,504,659.00      | 1,504,659                   |
| TPAF Pension Contributions (Non-Budgeted)          |                   |                     |                   | 5,086,395.00      | 5,086,395                   |
| TPAF Non-Contributory Insurance (Non-Budgeted)     |                   |                     |                   | 63,007.00         | 63,007                      |
| TPAF Long-Term Disability Insurance (Non-Budgeted) |                   |                     |                   | 2,395.00          | 2,395                       |
| Reimbursed TPAF Social Security Contributions      |                   |                     |                   | 1,146,626         | 1,146,626                   |
| Total Revenues from State Sources                  | <u>3,821,690</u>  |                     | <u>3,821,690</u>  | <u>11,766,638</u> | <u>7,944,948</u>            |
| Revenues from Federal Sources:                     |                   |                     |                   |                   |                             |
| Medicaid Reimbursement                             | 32,180            |                     | 32,180            | 13,520            | (18,660)                    |
| Total Revenues from Federal Sources                | <u>32,180</u>     |                     | <u>32,180</u>     | <u>13,520</u>     | <u>(18,660)</u>             |
| TOTAL REVENUE                                      | <u>39,838,968</u> |                     | <u>39,838,968</u> | <u>47,999,222</u> | <u>8,160,254</u>            |

DENVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                               | Original Budget | Budget<br>Transfers | Final Budget | Actual     | Variance Final<br>to Actual |
|-----------------------------------------------|-----------------|---------------------|--------------|------------|-----------------------------|
| <b>GENERAL CURRENT EXPENSE</b>                |                 |                     |              |            |                             |
| Regular Programs - Instruction:               |                 |                     |              |            |                             |
| Kindergarten - Salaries of Teachers           | \$ 596,275      |                     | \$ 596,275   | \$ 482,750 | \$ 113,525                  |
| Grades 1-5 - Salaries of Teachers             | 5,794,112       | \$ (92,779)         | 5,701,333    | 5,574,591  | 126,742                     |
| Grades 6-8 - Salaries of Teachers             | 3,323,350       | 15,000              | 3,338,350    | 3,201,563  | 136,787                     |
| Regular Programs - Home Instruction:          |                 |                     |              |            |                             |
| Salaries of Teachers                          | 20,000          |                     | 20,000       | 10,327     | 9,673                       |
| Purchased Professional-Educational Services   | 9,100           | 7,983               | 17,083       | 8,010      | 9,073                       |
| Regular Programs - Undistributed Instruction: |                 |                     |              |            |                             |
| Purchased Professional-Educational Services   | 8,200           | (393)               | 7,807        | 7,807      |                             |
| Purchased Technical Services                  | 648,005         | 239,083             | 887,088      | 684,380    | 202,708                     |
| Other Purchased Services (400-500 series)     | 14,820          | (4,894)             | 9,926        | 9,926      |                             |
| General Supplies                              | 525,777         | 74,448              | 600,225      | 494,197    | 106,028                     |
| Textbooks                                     | 135,935         | (4,635)             | 131,300      | 100,435    | 30,865                      |
| Total Regular Programs - Instruction          | 11,075,574      | 233,813             | 11,309,387   | 10,573,986 | 735,401                     |
| Special Education - Instruction:              |                 |                     |              |            |                             |
| Learning and/or Language Disabilities:        |                 |                     |              |            |                             |
| Salaries of Teachers                          | 929,816         | (65,778)            | 864,038      | 799,669    | 64,369                      |
| Other Salaries for Instruction                | 195,130         | 24,136              | 219,266      | 213,020    | 6,246                       |
| General Supplies                              | 14,334          | 1,464               | 15,798       | 14,517     | 1,281                       |
| Total Learning and/or Language Disabilities   | 1,139,280       | (40,178)            | 1,099,102    | 1,027,206  | 71,896                      |
| Resource Room/Resource Center:                |                 |                     |              |            |                             |
| Salaries of Teachers                          | 2,107,637       | (1)                 | 2,107,636    | 2,066,633  | 41,003                      |
| Other Salaries for Instruction                | 1,394,397       | 15,000              | 1,409,397    | 1,393,588  | 15,809                      |
| General Supplies                              | 10,000          | (650)               | 9,350        | 8,913      | 437                         |
| Total Resource Room/Resource Center           | 3,512,034       | 14,349              | 3,526,383    | 3,469,134  | 57,249                      |

DENVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                                   | Original Budget | Budget<br>Transfers | Final Budget | Actual     | Variance Final<br>to Actual |
|-------------------------------------------------------------------|-----------------|---------------------|--------------|------------|-----------------------------|
| Preschool Disabilities - Part-Time:                               |                 |                     |              |            |                             |
| Salaries of Teachers                                              | \$ 297,437      |                     | \$ 297,437   | \$ 277,273 | \$ 20,164                   |
| Other Salaries for Instruction                                    | 180,661         |                     | 180,661      | 170,968    | 9,693                       |
| General Supplies                                                  | 7,915           |                     | 7,915        | 6,188      | 1,727                       |
| Total Preschool Disabilities - Part-Time                          | 486,013         |                     | 486,013      | 454,429    | 31,584                      |
| TOTAL SPECIAL EDUCATION - INSTRUCTION                             | 5,137,327       | \$ (25,829)         | 5,111,498    | 4,950,769  | 160,729                     |
| Basic Skills/Remedial - Instruction:                              |                 |                     |              |            |                             |
| Salaries of Teachers                                              | 426,455         |                     | 426,455      | 417,854    | 8,601                       |
| General Supplies                                                  | 4,000           |                     | 4,000        | 2,880      | 1,120                       |
| Total Basic Skills/Remedial - Instruction                         | 430,455         |                     | 430,455      | 420,734    | 9,721                       |
| Bilingual Education - Instruction:                                |                 |                     |              |            |                             |
| Salaries of Teachers                                              | 66,965          |                     | 66,965       | 65,965     | 1,000                       |
| Total Bilingual Education - Instruction                           | 66,965          |                     | 66,965       | 65,965     | 1,000                       |
| School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:      |                 |                     |              |            |                             |
| Salaries                                                          | 120,665         | 12,313              | 132,978      | 128,233    | 4,745                       |
| Purchased Services (300-500 series)                               | 23,460          | (9,701)             | 13,759       | 12,806     | 953                         |
| Supplies and Materials                                            | 3,950           | (3,825)             | 125          | 125        |                             |
| Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst. | 148,075         | (1,213)             | 146,862      | 141,164    | 5,698                       |
| School-Sponsored Athletics - Instruction:                         |                 |                     |              |            |                             |
| Salaries                                                          | 43,657          | 3,297               | 46,954       | 46,575     | 379                         |
| Purchased Services (300-500 series)                               | 8,500           | (3,613)             | 4,887        | 3,133      | 1,754                       |
| Total School-Sponsored Athletics - Instruction                    | 52,157          | (316)               | 51,841       | 49,708     | 2,133                       |
| TOTAL INSTRUCTION                                                 | 16,910,553      | 206,455             | 17,117,008   | 16,202,326 | 914,682                     |

DENVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                                   | Original Budget | Budget<br>Transfers | Final Budget | Actual    | Variance Final<br>to Actual |
|-------------------------------------------------------------------|-----------------|---------------------|--------------|-----------|-----------------------------|
| Undistributed Expenditures - Instruction:                         |                 |                     |              |           |                             |
| Tuition to Other LEAs Within the State-Special                    | \$ 50,279       | \$ 26,053           | \$ 76,332    | \$ 76,332 |                             |
| Tuition to Priv. Sch. for the Handicap. W/I State                 | 1,073,257       | (75,975)            | 997,282      | 945,949   | \$ 51,333                   |
| Total Undistributed Expenditures - Instruction                    | 1,123,536       | (49,922)            | 1,073,614    | 1,022,281 | 51,333                      |
| Undistributed Expenditures - Health Services:                     |                 |                     |              |           |                             |
| Salaries                                                          | 455,997         | (3,976)             | 452,021      | 416,762   | 35,259                      |
| Purchased Professional and Technical Services                     | 3,000           |                     | 3,000        |           | 3,000                       |
| Supplies and Materials                                            | 12,850          | 861                 | 13,711       | 10,182    | 3,529                       |
| Total Undist. Expenditures - Health Services                      | 471,847         | (3,115)             | 468,732      | 426,944   | 41,788                      |
| Undist. Expend. - Speech, OT, PT, Related Svcs:                   |                 |                     |              |           |                             |
| Salaries                                                          | 410,935         | 8,175               | 419,110      | 419,109   | 1                           |
| Purchased Professional - Educational Services                     | 401,668         | (92,995)            | 308,673      | 232,164   | 76,509                      |
| Supplies and Materials                                            | 5,534           | (2,401)             | 3,133        | 3,133     |                             |
| Total Undist. Expend. - Speech, OT, PT, Related Svcs              | 818,137         | (87,221)            | 730,916      | 654,406   | 76,510                      |
| Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:              |                 |                     |              |           |                             |
| Salaries                                                          | 370,588         | (124,788)           | 245,800      | 245,766   | 34                          |
| Purchased Professional - Educational Services                     | 52,000          | 51,891              | 103,891      | 90,935    | 12,956                      |
| Supplies and Materials                                            | 19,037          | (7,141)             | 11,896       | 9,588     | 2,308                       |
| Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv. | 441,625         | (80,038)            | 361,587      | 346,289   | 15,298                      |
| Undist.Expend.-Guidance:                                          |                 |                     |              |           |                             |
| Salaries of Other Professional Staff                              | 392,695         | 85,680              | 478,375      | 462,062   | 16,313                      |
| Supplies and Materials                                            | 7,275           |                     | 7,275        | 2,672     | 4,603                       |
| Total Undist Expend. - Guidance                                   | 399,970         | 85,680              | 485,650      | 464,734   | 20,916                      |

DENVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                            | Original Budget | Budget Transfers | Final Budget | Actual       | Variance Final to Actual |
|------------------------------------------------------------|-----------------|------------------|--------------|--------------|--------------------------|
| Undist. Expend.-Child Study Team:                          |                 |                  |              |              |                          |
| Salaries of Other Professional Staff                       | \$ 1,377,408    | \$ (45,310)      | \$ 1,332,098 | \$ 1,292,785 | 39,313                   |
| Salaries of Secretarial and Clerical Assistants            | 110,255         |                  | 110,255      | 110,255      |                          |
| Purchased Professional - Educational Services              | 39,015          | (6,601)          | 32,414       | 20,807       | 11,607                   |
| Other Purchased Services (400-500 series)                  | 2,000           | (1,700)          | 300          | 81           | 219                      |
| Supplies and Materials                                     | 8,400           | 650              | 9,050        | 8,726        | 324                      |
| Other Objects                                              | 27,106          | (1,089)          | 26,017       | 26,017       |                          |
| Total Undist Expend. - Child Study Team                    | 1,564,184       | (54,050)         | 1,510,134    | 1,458,671    | 51,463                   |
| Undist. Expend.-Improv. of Inst. Serv.:                    |                 |                  |              |              |                          |
| Salaries of Supervisors of Instruction                     | 81,803          | (20,451)         | 61,352       | 61,352       |                          |
| Salaries of Other Professional Staff                       | 16,600          | 1,500            | 18,100       | 13,646       | 4,454                    |
| Purchased Professional - Educational Services              | 5,700           |                  | 5,700        | 2,370        | 3,330                    |
| Supplies and Materials                                     | 1,000           |                  | 1,000        | 955          | 45                       |
| Total Undist. Expend.-Improv. of Inst. Serv.               | 105,103         | (18,951)         | 86,152       | 78,323       | 7,829                    |
| Undist. Expend.-Edu. Media Serv./Sch. Library:             |                 |                  |              |              |                          |
| Salaries                                                   | 281,820         | (13,990)         | 267,830      | 265,446      | 2,384                    |
| Salaries of Technology Coordinators                        | 115,421         |                  | 115,421      | 114,301      | 1,120                    |
| Other Purchased Services (400-500 series)                  | 116,500         |                  | 116,500      | 52,949       | 63,551                   |
| Supplies and Materials                                     | 32,929          |                  | 32,929       | 30,192       | 2,737                    |
| Total Undist Expend-Edu. Media Serv./Sch. Library          | 546,670         | (13,990)         | 532,680      | 462,888      | 69,792                   |
| Undist.Expend.-Instructional Staff Training Services:      |                 |                  |              |              |                          |
| Salaries of Other Professional Staff                       | 246,868         | 30,000           | 276,868      | 276,670      | 198                      |
| Purchased Professional - Educational Service               | 74,671          | (30,000)         | 44,671       | 43,276       | 1,395                    |
| Other Purchased Services (400-500 series)                  | 17,526          | 17,717           | 35,243       | 10,819       | 24,424                   |
| Total Undist.Expend.-Instructional Staff Training Services | 339,065         | 17,717           | 356,782      | 330,765      | 26,017                   |

DENVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                                  | Original Budget | Budget<br>Transfers | Final Budget | Actual     | Variance Final<br>to Actual |
|------------------------------------------------------------------|-----------------|---------------------|--------------|------------|-----------------------------|
| Undist. Expend.-Support Serv.-Gen. Admin.:                       |                 |                     |              |            |                             |
| Salaries                                                         | \$ 420,599      | \$ 27,064           | \$ 447,663   | \$ 447,663 |                             |
| Legal Services                                                   | 92,919          | (5,000)             | 87,919       | 27,279     | \$ 60,640                   |
| Audit Fees                                                       | 72,500          | 2,400               | 74,900       | 39,400     | 35,500                      |
| Architectural/Engineering Services                               | 23,000          | 6,943               | 29,943       | 21,303     | 8,640                       |
| Other Purchased Professional Services                            | 84,120          | 20,886              | 105,006      | 85,269     | 19,737                      |
| Communications / Telephone                                       | 63,750          | (7,768)             | 55,982       | 42,034     | 13,948                      |
| BOE Other Purchased Services                                     | 10,200          | (6,000)             | 4,200        | 2,489      | 1,711                       |
| Other Purch. Serv. (400-500 series other than 530 & 585)         | 3,000           | 7,052               | 10,052       | 6,542      | 3,510                       |
| General Supplies                                                 | 3,500           | (1,000)             | 2,500        | 1,999      | 501                         |
| Judgments Against The School District                            | 24,000          | (8,718)             | 15,282       | 8,000      | 7,282                       |
| Miscellaneous Expenditures                                       | 28,400          | (6,052)             | 22,348       | 19,631     | 2,717                       |
| Total Undist. Expend.-Support Serv.-Gen. Admin.                  | 825,988         | 29,807              | 855,795      | 701,609    | 154,186                     |
| Undist. Expend.-Support Serv.-School Admin.:                     |                 |                     |              |            |                             |
| Salaries of Principals/Assistant Principals/Prog Director        | 813,372         | 121,671             | 935,043      | 935,043    |                             |
| Salaries of Secretarial and Clerical Assistants                  | 462,054         | (2,747)             | 459,307      | 459,307    |                             |
| Other Purchased Services (400-500 series)                        | 3,460           | (2,082)             | 1,378        | 1,378      |                             |
| Supplies and Materials                                           | 12,516          | (360)               | 12,156       | 7,172      | 4,984                       |
| Other Objects                                                    | 13,202          | (4,342)             | 8,860        | 8,221      | 639                         |
| Total Undist. Expend.-Support Serv.-School Adm.                  | 1,304,604       | 112,140             | 1,416,744    | 1,411,121  | 5,623                       |
| Undist. Expend. - Central Services:                              |                 |                     |              |            |                             |
| Salaries                                                         | 388,424         | 3,161               | 391,585      | 386,997    | 4,588                       |
| Miscellaneous Purchased Services (400-500 series other than 594) | 1,200           | 757                 | 1,957        | 1,772      | 185                         |
| Supplies and Materials                                           | 4,400           | (1,000)             | 3,400        | 2,993      | 407                         |
| Other Objects                                                    | 3,095           | 1,823               | 4,918        | 4,918      |                             |
| Total Undist. Expend. - Central Services                         | 397,119         | 4,741               | 401,860      | 396,680    | 5,180                       |

DENVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                              | Original Budget | Budget<br>Transfers | Final Budget | Actual     | Variance Final<br>to Actual |
|--------------------------------------------------------------|-----------------|---------------------|--------------|------------|-----------------------------|
| Undist. Expend. - Admin. Info. Technology:                   |                 |                     |              |            |                             |
| Salaries                                                     | \$ 291,468      | \$ 6,106            | \$ 297,574   | \$ 295,138 | \$ 2,436                    |
| Other Purchased Services (400-500 series)                    | 22,700          | (9,000)             | 13,700       | 6,791      | 6,909                       |
| Supplies and Materials                                       | 1,500           |                     | 1,500        | 1,001      | 499                         |
| Total Undist. Expend. - Admin. Info. Technology              | 315,668         | (2,894)             | 312,774      | 302,930    | 9,844                       |
| Undist. Expend.-Required Maintenance for School Facilities:  |                 |                     |              |            |                             |
| Salaries                                                     | 209,333         | (9,993)             | 199,340      | 197,340    | 2,000                       |
| Cleaning, Repair, and Maintenance Services                   | 272,816         | 45,412              | 318,228      | 238,444    | 79,784                      |
| General Supplies                                             | 74,178          | (30,308)            | 43,870       | 40,555     | 3,315                       |
| Other Objects                                                | 24,100          | (2,846)             | 21,254       | 16,150     | 5,104                       |
| Total Undist. Expend.- Required Maint. for School Facilities | 580,427         | 2,265               | 582,692      | 492,489    | 90,203                      |
| Undist. Expend.-Custodial Services:                          |                 |                     |              |            |                             |
| Salaries                                                     | 951,691         | (42,754)            | 908,937      | 846,208    | 62,729                      |
| Salaries of Non-Instructional Aides                          | 194,007         | (33,845)            | 160,162      | 160,111    | 51                          |
| Purchased Professional and Technical Services                | 16,085          | (2,126)             | 13,959       | 13,750     | 209                         |
| Cleaning, Repair, and Maintenance Services                   | 40,144          | (948)               | 39,196       | 25,378     | 13,818                      |
| Rental of Land & Bldg. Oth. than Lease Pur. Agrmt.           | 128,884         | 130,078             | 258,962      | 253,884    | 5,078                       |
| Other Purchased Property Services                            | 18,000          | (1,896)             | 16,104       | 15,990     | 114                         |
| Insurance                                                    | 265,000         | 5,003               | 270,003      | 270,003    |                             |
| Miscellaneous Purchased Services                             | 39,295          | (29,536)            | 9,759        | 9,759      |                             |
| General Supplies                                             | 129,210         | 42,538              | 171,748      | 171,716    | 32                          |
| Energy (Electricity)                                         | 210,759         | 71,500              | 282,259      | 255,451    | 26,808                      |
| Energy (Oil)                                                 | 328,000         | 17,000              | 345,000      | 311,461    | 33,539                      |
| Total Undist. Expend.-Custodial Services                     | 2,321,075       | 155,014             | 2,476,089    | 2,333,711  | 142,378                     |

DENVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                                | Original Budget | Budget<br>Transfers | Final Budget | Actual    | Variance Final<br>to Actual |
|----------------------------------------------------------------|-----------------|---------------------|--------------|-----------|-----------------------------|
| Care and Upkeep of Grounds:                                    |                 |                     |              |           |                             |
| Cleaning, Repair, and Maintenance Services                     | \$ 95,400       | \$ 8,686            | \$ 104,086   | \$ 89,875 | \$ 14,211                   |
| General Supplies                                               | 9,334           | 17,849              | 27,183       | 12,183    | 15,000                      |
| Total Care And Upkeep Of Grounds                               | 104,734         | 26,535              | 131,269      | 102,058   | 29,211                      |
| Security:                                                      |                 |                     |              |           |                             |
| Salaries                                                       | 4,500           |                     | 4,500        | 1,028     | 3,472                       |
| Purchased Professional and Technical Services                  | 246,993         |                     | 246,993      | 223,124   | 23,869                      |
| General Supplies                                               | 2,000           |                     | 2,000        | 137       | 1,863                       |
| Total Security                                                 | 253,493         |                     | 253,493      | 224,289   | 29,204                      |
| Total Undist. Expend.- Operations And Maint. of Plant Services | 3,259,729       | 183,814             | 3,443,543    | 3,152,547 | 290,996                     |
| Undist. Expend.-Student Transportation Serv.:                  |                 |                     |              |           |                             |
| Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.                 | 1,228,746       | (197,125)           | 1,031,621    | 1,005,154 | 26,467                      |
| Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)              | 111,000         |                     | 111,000      | 109,904   | 1,096                       |
| Cleaning, Repair, and Maint. Services                          | 26,000          | (6,909)             | 19,091       | 14,830    | 4,261                       |
| Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts     | 66,430          | 17,432              | 83,862       | 73,977    | 9,885                       |
| Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA's               | 621,000         | 114,731             | 735,731      | 702,020   | 33,711                      |
| Misc. Purchased Serv. - Transportation                         | 45,065          | (7,018)             | 38,047       | 35,897    | 2,150                       |
| Transportation Supplies                                        | 297,493         | (21,078)            | 276,415      | 179,299   | 97,116                      |
| Other Objects                                                  | 78,807          | (3,128)             | 75,679       | 66,175    | 9,504                       |
| Total Undist. Expend.-Student Trans. Serv.                     | 2,474,541       | (103,095)           | 2,371,446    | 2,187,256 | 184,190                     |

DENVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                    | Original Budget | Budget<br>Transfers | Final Budget | Actual     | Variance Final<br>to Actual |
|----------------------------------------------------|-----------------|---------------------|--------------|------------|-----------------------------|
| UNALLOCATED BENEFITS                               |                 |                     |              |            |                             |
| Social Security Contributions                      | \$ 620,000      | \$ 50,000           | \$ 670,000   | \$ 613,016 | 56,984                      |
| Other Retirement Contributions - PERS              | 720,000         | 58,037              | 778,037      | 778,037    |                             |
| Other Retirement Contributions - Regular           | 65,000          | (7,944)             | 57,056       | 30,620     | 26,436                      |
| Unemployment Compensation                          | 60,130          |                     | 60,130       |            | \$ 60,130                   |
| Workers Compensation                               | 239,000         | (5,000)             | 234,000      | 199,371    | 34,629                      |
| Health Benefits                                    | 7,298,133       | (252,336)           | 7,045,797    | 6,752,820  | 292,977                     |
| Tuition Reimbursement                              | 62,928          |                     | 62,928       | 48,446     | 14,482                      |
| Other Employee Benefits                            | 96,000          | (6,606)             | 89,394       | 74,635     | 14,759                      |
| TOTAL UNALLOCATED BENEFITS                         | 9,161,191       | (163,849)           | 8,997,342    | 8,496,945  | 500,397                     |
| ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)             |                 |                     |              |            |                             |
| TPAF Post Retirement Contributions (Non-Budgeted)  |                 |                     |              | 1,504,659  | (1,504,659)                 |
| TPAF Pension Contributions (Non-Budgeted)          |                 |                     |              | 5,086,395  | (5,086,395)                 |
| TPAF Non-Contributory Insurance (Non-Budgeted)     |                 |                     |              | 63,007     | (63,007)                    |
| TPAF Long-Term Disability Insurance (Non-Budgeted) |                 |                     |              | 2,395      | (2,395)                     |
| Reimbursed TPAF Social Security Contributions      |                 |                     |              | 1,146,626  | (1,146,626)                 |
| TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)       |                 |                     |              | 7,803,082  | (7,803,082)                 |
| TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS        | 9,161,191       | (163,849)           | 8,997,342    | 16,300,027 | (7,302,685)                 |
| TOTAL UNDISTRIBUTED EXPENDITURES                   | 23,548,977      | (143,226)           | 23,405,751   | 29,697,471 | (6,291,720)                 |
| TOTAL GENERAL CURRENT EXPENSE                      | 40,459,530      | 63,229              | 40,522,759   | 45,899,797 | (5,377,038)                 |

DENVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                        | Original Budget | Budget<br>Transfers | Final Budget | Actual     | Variance Final<br>to Actual |
|--------------------------------------------------------|-----------------|---------------------|--------------|------------|-----------------------------|
| <b>CAPITAL OUTLAY</b>                                  |                 |                     |              |            |                             |
| Undistributed:                                         |                 |                     |              |            |                             |
| Undistributed Expenditures - General Admin.            | \$ 710,000      |                     | \$ 710,000   | \$ 682,237 | \$ 27,763                   |
| Undist. Expend. - Required Maint for School Fac.       | 260,500         |                     | 260,500      | 64,585     | 195,915                     |
| Undist. Expend. - Custodial Services                   | 595,000         |                     | 595,000      | 293,019    | 301,981                     |
| School Buses - Regular                                 | 433,121         |                     | 433,121      | 433,121    |                             |
| Total Equipment                                        | 1,998,621       |                     | 1,998,621    | 1,472,962  | 525,659                     |
| Facilities Acquisition and Construction Serv.:         |                 |                     |              |            |                             |
| Assessment for Debt Service on SDA Funding             | 4,704           |                     | 4,704        | 4,704      |                             |
| Total Facilities Acquisition and Const. Serv.          | 4,704           |                     | 4,704        | 4,704      |                             |
| Assets Acquired Under Leases (Non-Budgeted):           |                 |                     |              |            |                             |
| Buildings                                              |                 |                     |              | 1,224,035  | (1,224,035)                 |
| Total Assets Acquired Under Leases (Non-Budgeted)      |                 |                     |              | 1,224,035  | (1,224,035)                 |
| <b>TOTAL CAPITAL OUTLAY</b>                            | 2,003,325       |                     | 2,003,325    | 2,701,701  | (698,376)                   |
| Transfer of Funds to Charter Schools                   | 100,000         |                     | 100,000      | 98,780     | 1,220                       |
| <b>TOTAL EXPENDITURES</b>                              | 42,562,855      | \$ 63,229           | 42,626,084   | 48,700,278 | (6,074,194)                 |
| Excess/(Deficit) of Revenues Over/(Under) Expenditures | (2,723,887)     | (63,229)            | (2,787,116)  | (701,056)  | 2,086,060                   |
| Other Financing Sources/(Uses):                        |                 |                     |              |            |                             |
| Leases (Non-budgeted)                                  |                 |                     |              | 1,224,035  | 1,224,035                   |
| Transfers to Cover Deficit (Enterprise Fund)           | (100,000)       |                     | (100,000)    | (79,000)   | 21,000                      |
| Capital Reserve - Transfer from Capital Projects Fund  |                 |                     |              | 475,948    | 475,948                     |
| Total Other Financing Sources/(Uses)                   | (100,000)       |                     | (100,000)    | 1,620,983  | 1,720,983                   |

DENVILLE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                          | Original Budget     | Budget<br>Transfers | Final Budget        | Actual               | Variance Final<br>to Actual |
|----------------------------------------------------------|---------------------|---------------------|---------------------|----------------------|-----------------------------|
| Excess/(Deficit) of Revenues and Other Financing Sources |                     |                     |                     |                      |                             |
| Over/(Under) Expenditures and Other Financing Uses       | \$ (2,823,887)      | \$ (63,229)         | \$ (2,887,116)      | \$ 919,927           | \$ 3,807,043                |
| Fund Balance, July 1                                     | 10,114,320          |                     | 10,114,320          | 10,114,320           |                             |
| Fund Balance, June 30                                    | <u>\$ 7,290,433</u> | <u>\$ (63,229)</u>  | <u>\$ 7,227,204</u> | <u>\$ 11,034,247</u> | <u>\$ 3,807,043</u>         |
| <u>Recapitulation:</u>                                   |                     |                     |                     |                      |                             |
| Restricted Fund Balance:                                 |                     |                     |                     |                      |                             |
| Excess Surplus - Restricted For 2026-2027                |                     |                     |                     | \$ 200,000           |                             |
| Excess Surplus - Restricted For 2025-2026                |                     |                     |                     | 200,000              |                             |
| Capital Reserve                                          |                     |                     |                     | 6,069,142            |                             |
| Maintenance Reserve                                      |                     |                     |                     | 1,500,711            |                             |
| Emergency Reserve                                        |                     |                     |                     | 300,000              |                             |
| Unemployment Compensation                                |                     |                     |                     | 757,395              |                             |
| Assigned Fund Balance:                                   |                     |                     |                     |                      |                             |
| Year End Encumbrances                                    |                     |                     |                     | 1,146,212            |                             |
| Unassigned Fund Balance                                  |                     |                     |                     | <u>860,787</u>       |                             |
|                                                          |                     |                     |                     | <u>11,034,247</u>    |                             |
| Reconciliation to Governmental Funds Statement (GAAP):   |                     |                     |                     |                      |                             |
| Last State Aid Payments not Recognized on GAAP basis     |                     |                     |                     | <u>(336,311)</u>     |                             |
| Fund Balance per Governmental Funds (GAAP)               |                     |                     |                     | <u>\$ 10,697,936</u> |                             |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                              | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual     | Variance<br>Final to<br>Actual |
|--------------------------------------------------------------|--------------------|---------------------|-----------------|------------|--------------------------------|
| REVENUES:                                                    |                    |                     |                 |            |                                |
| Federal Sources                                              | \$ 380,764         | \$ 304,093          | \$ 684,857      | \$ 615,662 | \$ (69,195)                    |
| State Sources                                                |                    | 38,451              | 38,451          | 38,451     |                                |
| Local Sources                                                |                    | 124,096             | 124,096         | 111,014    | (13,082)                       |
| Total Revenues                                               | 380,764            | 466,640             | 847,404         | 765,127    | (82,277)                       |
| EXPENDITURES:                                                |                    |                     |                 |            |                                |
| Instruction                                                  |                    |                     |                 |            |                                |
| Salaries of Teachers                                         |                    | 71,143              | 71,143          | 67,890     | 3,253                          |
| Other Purchased Services                                     |                    | 39,314              | 39,314          | 28,114     | 11,200                         |
| Tuition                                                      | 302,698            | 151,295             | 453,993         | 415,379    | 38,614                         |
| General Supplies                                             | 56,792             | 13,278              | 70,070          | 57,994     | 12,076                         |
| Other Objects                                                | 2,250              | 1,000               | 3,250           | 890        | 2,360                          |
| Total Instruction                                            | 361,740            | 276,030             | 637,770         | 570,267    | 67,503                         |
| Support Services                                             |                    |                     |                 |            |                                |
| Personal Services - Employee Benefits                        |                    | 3,109               | 3,109           | 2,834      | 275                            |
| Purchased Professional Educational Services                  |                    | 5,239               | 5,239           | 5,089      | 150                            |
| Other Purchased Professional Services                        |                    | 44,065              | 44,065          | 38,916     | 5,149                          |
| Supplies and Materials                                       | 19,024             | (19,024)            |                 |            |                                |
| Student Activities                                           |                    | 118,770             | 118,770         | 118,770    |                                |
| Total Support Services                                       | 19,024             | 152,159             | 171,183         | 165,609    | 5,574                          |
| Facilities Acquisition and Construction Services:            |                    |                     |                 |            |                                |
| Non-Instructional Equipment                                  |                    | 38,451              | 38,451          | 38,451     |                                |
| Total Facilities Acquisition and Construction Services       |                    | 38,451              | 38,451          | 38,451     |                                |
| Total Expenditures                                           | 380,764            | 466,640             | 847,404         | 774,327    | 73,077                         |
| Excess/(Deficiency) of Revenues Over/(Under)<br>Expenditures | \$ -0-             | \$ -0-              | \$ -0-          | \$ (9,200) | \$ (9,200)                     |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

|                                                                                                                                                                                                                   | General<br>Fund      | Special<br>Revenue<br>Fund |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------|
| Sources/Inflows of Resources:                                                                                                                                                                                     |                      |                            |
| Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule                                                                                                                                 | \$ 47,999,222        | \$ 765,127                 |
| 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                                                                                                                                                                                         |                      | (31,481)                   |
| Cancellation of Prior Year Encumbrances                                                                                                                                                                           |                      | (1,326)                    |
| Prior Year Encumbrances                                                                                                                                                                                           |                      | 27,742                     |
| Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes                                                                                                               | 289,269              |                            |
| Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements                                                                                                             | (336,311)            |                            |
| Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.                                                                                          | <u>\$ 47,952,180</u> | <u>\$ 760,062</u>          |
| Uses/Outflows of Resources:                                                                                                                                                                                       |                      |                            |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule                                                                                                                          | \$ 48,700,278        | \$ 774,327                 |
| Differences - Budget to GAAP:                                                                                                                                                                                     |                      |                            |
| Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes: |                      |                            |
| Current Year Encumbrances                                                                                                                                                                                         |                      | (31,482)                   |
| Cancellation of Prior Year Encumbrances                                                                                                                                                                           |                      | (1,326)                    |
| Prior Year Encumbrances                                                                                                                                                                                           |                      | 27,743                     |
| Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds                                                                                      | <u>\$ 48,700,278</u> | <u>\$ 769,262</u>          |

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, 2025 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.

SPECIAL REVENUE FUND

TOWNSHIP OF DENVILLE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                        | Elementary and Secondary Education Act |           |           |                      |                        |          |
|--------------------------------------------------------|----------------------------------------|-----------|-----------|----------------------|------------------------|----------|
|                                                        | FY 2024<br>Title I                     | Title IIA | Title III | FY 2024<br>Title III | Title III<br>Immigrant | Title IV |
| REVENUES:                                              |                                        |           |           |                      |                        |          |
| Local Sources                                          |                                        |           |           |                      |                        |          |
| Federal Sources                                        | \$ 23,597                              | \$ 24,566 | \$ 44,884 | \$ 4,961             | \$ 4,389               | \$ 9,013 |
| Total Revenues                                         | 23,597                                 | 24,566    | 44,884    | 4,961                | 4,389                  | 9,013    |
| EXPENDITURES:                                          |                                        |           |           |                      |                        |          |
| Instruction:                                           |                                        |           |           |                      |                        |          |
| Salaries of Teachers                                   | 3,149                                  |           | 1,284     | 4,961                |                        | 9,013    |
| Other Purchased Services                               |                                        |           |           |                      |                        |          |
| Tuition                                                |                                        |           |           |                      |                        |          |
| General Supplies                                       | 20,448                                 |           | 29,510    |                      | 2,389                  |          |
| Other Objects                                          |                                        |           | 890       |                      |                        |          |
| Total Instruction                                      | 23,597                                 |           | 31,684    | 4,961                | 2,389                  | 9,013    |
| Support Services:                                      |                                        |           |           |                      |                        |          |
| Personal Services - Employee Benefits                  |                                        | 850       |           |                      |                        |          |
| Purchased Professional and Educational Services        |                                        | 23,716    | 13,200    |                      | 2,000                  |          |
| Other Purchased Services                               |                                        |           |           |                      |                        |          |
| Student Activities                                     |                                        |           |           |                      |                        |          |
| Total Support Services                                 |                                        | 24,566    | 13,200    |                      | 2,000                  |          |
| Facilities Acquisition and Construction Services:      |                                        |           |           |                      |                        |          |
| Construction Services                                  |                                        |           |           |                      |                        |          |
| Total Facilities Acquisition and Construction Services |                                        |           |           |                      |                        |          |
| Total Expenditures                                     | \$ 23,597                              | \$ 24,566 | \$ 44,884 | \$ 4,961             | \$ 4,389               | \$ 9,013 |

TOWNSHIP OF DENVILLE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

|                                                        | American Rescue Plan    |                                 |                |                          | SDA Emergent<br>& Capital<br>Maintenance Needs |
|--------------------------------------------------------|-------------------------|---------------------------------|----------------|--------------------------|------------------------------------------------|
|                                                        | High Impact<br>Tutoring | Summer Learning<br>& Enrichment | Evidence-Based | Beyond the<br>School Day |                                                |
| REVENUES:                                              |                         |                                 |                |                          |                                                |
| Local Sources                                          |                         |                                 |                |                          |                                                |
| State Sources                                          |                         |                                 |                |                          |                                                |
| Federal Sources                                        |                         |                                 |                |                          |                                                |
| Total Revenues                                         | \$ 58,136               | \$ 280                          | \$             | 12,265                   | \$ 38,451                                      |
|                                                        | 58,136                  | 280                             |                | 12,265                   | 38,451                                         |
| EXPENDITURES:                                          |                         |                                 |                |                          |                                                |
| Instruction:                                           |                         |                                 |                |                          |                                                |
| Salaries of Teachers                                   | 36,481                  |                                 |                | 12,265                   |                                                |
| Other Purchased Services                               | 18,821                  | 280                             |                |                          |                                                |
| Tuition                                                |                         |                                 |                |                          |                                                |
| General Supplies                                       |                         |                                 |                |                          |                                                |
| Other Objects                                          |                         |                                 |                |                          |                                                |
| Total Instruction                                      | 55,302                  | 280                             |                | 12,265                   |                                                |
| Support Services:                                      |                         |                                 |                |                          |                                                |
| Personal Services - Employee Benefits                  | 2,834                   |                                 |                |                          |                                                |
| Purchased Professional and Educational Services        |                         |                                 |                |                          |                                                |
| Other Purchased Services                               |                         |                                 |                |                          |                                                |
| Student Activities                                     |                         |                                 |                |                          |                                                |
| Total Support Services                                 | 2,834                   |                                 |                |                          |                                                |
| Facilities Acquisition and Construction Services:      |                         |                                 |                |                          |                                                |
| Construction Services                                  |                         |                                 |                |                          | 38,451                                         |
| Total Facilities Acquisition and Construction Services |                         |                                 |                |                          | 38,451                                         |
| Total Expenditures                                     | \$ 58,136               | \$ 280                          | \$             | 12,265                   | \$ 38,451                                      |

TOWNSHIP OF DENVILLE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(Continued)

|                                                        | I.D.E.A    |           | Student    | Local     | Totals     |
|--------------------------------------------------------|------------|-----------|------------|-----------|------------|
|                                                        | Basic      | Preschool | Activities | Donations |            |
| REVENUES:                                              |            |           |            |           |            |
| Local Sources                                          |            |           |            |           |            |
| State Sources                                          |            |           | \$ 109,570 | \$ 1,444  | \$ 111,014 |
| Federal Sources                                        | \$ 400,705 | \$ 23,116 |            |           | 38,451     |
| Total Revenues                                         | 400,705    | 23,116    | 109,570    | 1,444     | 615,662    |
|                                                        |            |           |            |           | 765,127    |
| EXPENDITURES:                                          |            |           |            |           |            |
| Instruction:                                           |            |           |            |           |            |
| Salaries of Teachers                                   |            |           |            |           | 67,890     |
| Other Purchased Services                               |            |           |            |           | 28,114     |
| Tuition                                                | 400,705    | 14,674    |            |           | 415,379    |
| General Supplies                                       |            | 4,203     |            | 1,444     | 57,994     |
| Other Objects                                          |            |           |            |           | 890        |
| Total Instruction                                      | 400,705    | 18,877    |            | 1,444     | 570,267    |
| Support Services:                                      |            |           |            |           |            |
| Personal Services - Employee Benefits                  |            |           |            |           | 2,834      |
| Purchased Professional and Educational Services        |            | 4,239     |            |           | 5,089      |
| Other Purchased Services                               |            |           | 118,770    |           | 38,916     |
| Student Activities                                     |            |           |            |           | 118,770    |
| Total Support Services                                 |            | 4,239     | 118,770    |           | 165,609    |
| Facilities Acquisition and Construction Services:      |            |           |            |           |            |
| Construction Services                                  |            |           |            |           | 38,451     |
| Total Facilities Acquisition and Construction Services |            |           |            |           | 38,451     |
| Total Expenditures                                     | \$ 400,705 | \$ 23,116 | \$ 118,770 | \$ 1,444  | \$ 774,327 |

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, 2025

|                                                                      |             |
|----------------------------------------------------------------------|-------------|
| Revenue and Other Financing Sources:                                 |             |
| Prior Year Accounts Payable Canceled                                 | \$ 75,000   |
|                                                                      | <hr/>       |
| Total Revenue and Other Financing Sources                            | 75,000      |
|                                                                      | <hr/>       |
| Expenditures and Other Financing Uses:                               |             |
| Purchased Professional and Technical Services                        | 7,400       |
| SSB-VEEVR Grant Receivable Cancelled                                 | 925,612     |
| Transfer to General Fund - Capital Reserve                           | 475,948     |
|                                                                      | <hr/>       |
| Total Expenditures and Other Financing Uses                          | 1,408,960   |
|                                                                      | <hr/>       |
| Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) |             |
| Expenditures and Other Financing Uses                                | (1,333,960) |
|                                                                      | <hr/>       |
| Fund Balance - Beginning of Year                                     | 1,333,960   |
|                                                                      | <hr/>       |
| Fund Balance - End of Year                                           | \$ -0-      |
|                                                                      | <hr/> <hr/> |

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, 2025

|                                                                      | <u>Prior Periods</u> | <u>Current Year</u>   | <u>Totals</u>    | <u>Revised<br/>Project<br/>Authorization</u> |
|----------------------------------------------------------------------|----------------------|-----------------------|------------------|----------------------------------------------|
| Revenue and Other Financing Sources:                                 |                      |                       |                  |                                              |
| State Sources - NJ Clean Energy Program Grant                        | \$ 2,233,125         | \$ (925,612)          | \$ 1,307,513     | \$ 1,307,513                                 |
| Transfer from Capital Reserve                                        | <u>744,375</u>       | <u>(475,948)</u>      | <u>268,427</u>   | <u>268,428</u>                               |
| Total Revenue and Other Financing Sources                            | <u>2,977,500</u>     | <u>(1,401,560)</u>    | <u>1,575,940</u> | <u>1,575,940</u>                             |
| Expenditures and Other Financing Uses:                               |                      |                       |                  |                                              |
| Purchased Professional and Technical Services                        | 258,540              | 7,400                 | 265,940          | 265,940                                      |
| Construction Services                                                | <u>1,385,000</u>     | <u>(75,000)</u>       | <u>1,310,000</u> | <u>1,310,000</u>                             |
| Total Expenditures and Other Financing Uses                          | <u>1,643,540</u>     | <u>(67,600)</u>       | <u>1,575,940</u> | <u>1,575,940</u>                             |
| Excess/(Deficiency) of Revenue and Other<br>and Other Financing Uses | <u>\$ 1,333,960</u>  | <u>\$ (1,333,960)</u> | <u>\$ -0-</u>    | <u>\$ -0-</u>                                |
| Additional Project Information:                                      |                      |                       |                  |                                              |
| Project Number                                                       | SSB-VEEVR #68355     |                       |                  |                                              |
| Grant Date                                                           | 11/07/22             |                       |                  |                                              |
| Original Authorized Cost                                             | \$ 2,977,500         |                       |                  |                                              |
| Unexpended Balance Canceled                                          | <u>(1,401,560)</u>   |                       |                  |                                              |
| Revised Authorized Cost                                              | <u>\$ 1,575,940</u>  |                       |                  |                                              |
| Percentage Completion                                                | 100.00%              |                       |                  |                                              |
| Original Target Completion Date                                      | 11/07/24             |                       |                  |                                              |

PROPRIETARY FUNDS

DENVILLE TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2025

## ASSETS:

## Current Assets:

|                                             |           |
|---------------------------------------------|-----------|
| Cash and Cash Equivalents                   | \$ 83,311 |
| Interfund Receivable - Special Revenue Fund | 377       |
| Accounts Receivable:                        |           |
| Federal                                     | 3,661     |
| State                                       | 119       |
|                                             | <hr/>     |
| Total Current Assets                        | 87,468    |
|                                             | <hr/>     |

## Non-Current Assets:

|                                |          |
|--------------------------------|----------|
| Capital Assets                 | 186,254  |
| Less: Accumulated Depreciation | (96,139) |
|                                | <hr/>    |
| Total Non-Current Assets       | 90,115   |
|                                | <hr/>    |

|              |         |
|--------------|---------|
| Total Assets | 177,583 |
|              | <hr/>   |

## LIABILITIES:

## Current Liabilities:

|                                  |        |
|----------------------------------|--------|
| Interfund Payable - General Fund | 42,446 |
|                                  | <hr/>  |
| Total Current Liabilities        | 42,446 |
|                                  | <hr/>  |

|                   |        |
|-------------------|--------|
| Total Liabilities | 42,446 |
|                   | <hr/>  |

## NET POSITION:

|                              |        |
|------------------------------|--------|
| Investment in Capital Assets | 90,115 |
| Unrestricted                 | 45,022 |
|                              | <hr/>  |

|                    |             |
|--------------------|-------------|
| Total Net Position | \$ 135,137  |
|                    | <hr/> <hr/> |

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, 2025

|                                                          |                          |
|----------------------------------------------------------|--------------------------|
| Operating Revenue:                                       |                          |
| Charges for Services:                                    |                          |
| Daily Sales - Reimbursable Programs:                     | \$ 25,404                |
| Total Operating Revenue                                  | <u>25,404</u>            |
| Operating Expenses:                                      |                          |
| Cost of Sales - Reimbursable Program                     | 120,023                  |
| Salaries                                                 | 28,958                   |
| Depreciation                                             | 13,738                   |
| Miscellaneous Expenses                                   | <u>2,426</u>             |
| Total Operating Expenses                                 | <u>165,145</u>           |
| Operating Loss                                           | <u>(139,741)</u>         |
| Non-Operating Revenue:                                   |                          |
| Federal Sources:                                         |                          |
| Special Milk Program                                     | 7,806                    |
| Federal Lunch                                            | 55,057                   |
| State Source:                                            |                          |
| State Lunch                                              | 1,801                    |
| Local Sources:                                           |                          |
| Interest Revenue                                         | 297                      |
| Donation from Special Services                           | <u>10,000</u>            |
| Total Non-Operating Revenue                              | <u>74,961</u>            |
| Change in Net Position Before Transfer and Other Item    | (64,780)                 |
| Transfer - General Fund                                  | 79,000                   |
| Capital Asset Disposals, Net of Accumulated Depreciation | <u>(5,262)</u>           |
| Change in Net Position                                   | 8,958                    |
| Net Position - Beginning of Year                         | <u>126,179</u>           |
| Net Positon - End of Year                                | <u><u>\$ 135,137</u></u> |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                                                   |                            |
|-----------------------------------------------------------------------------------|----------------------------|
| Cash Flows from Operating Activities:                                             |                            |
| Receipts from Customers                                                           | \$ 25,404                  |
| Payments to Suppliers                                                             | (122,449)                  |
| Payments to Salaries - District Employee                                          | (28,958)                   |
| Net Cash Used for Operating Activities                                            | <u>(126,003)</u>           |
| Cash Flows from Investing Activities:                                             |                            |
| Interest Revenue                                                                  | <u>297</u>                 |
| Net Cash Provided by Investing Activities                                         | <u>297</u>                 |
| Cash Flows from Noncapital Financing Activities:                                  |                            |
| Interfund Returned - General Fund                                                 | (24,786)                   |
| Interfund Advanced - General Fund                                                 | 47,458                     |
| Cash Received from Federal Sources                                                | 53,055                     |
| Cash Received from State Sources                                                  | 1,469                      |
| Donation from Special Services                                                    | 10,000                     |
| Board Contribution - General Fund                                                 | <u>79,000</u>              |
| Net Cash Provided by Noncapital Financing Activities                              | <u>166,196</u>             |
| Net Increase in Cash and Cash Equivalents                                         | 40,490                     |
| Cash and Cash Equivalents, July 1                                                 | <u>42,821</u>              |
| Cash and Cash Equivalents, June 30                                                | <u><u>\$ 83,311</u></u>    |
| Reconciliation of Operating Loss to Net Cash Used for Operating Activities:       |                            |
| Operating Loss                                                                    | \$ (139,741)               |
| Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities: |                            |
| Depreciation                                                                      | <u>13,738</u>              |
| Net Cash Used for Operating Activities                                            | <u><u>\$ (126,003)</u></u> |

LONG-TERM LIABILITIES

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

| <u>Item</u>                  | <u>Interest<br/>Rate</u> | <u>Original<br/>Issue</u> | <u>Balance<br/>July 1, 2024</u> | <u>Retired or<br/>Matured</u> | <u>Balance<br/>June 30, 2025</u> |
|------------------------------|--------------------------|---------------------------|---------------------------------|-------------------------------|----------------------------------|
| Energy Conservation Measures | 2.31%                    | \$ 1,895,428              | <u>\$ 963,986</u>               | <u>\$ 98,987</u>              | <u>\$ 864,999</u>                |
|                              |                          |                           | <u>\$ 963,986</u>               | <u>\$ 98,987</u>              | <u>\$ 864,999</u>                |

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

| <u>Purpose</u>             | <u>Interest<br/>Rate</u> | <u>Original<br/>Issue</u> | <u>Balance<br/>July 1, 2024</u> | <u>Issued</u>       | <u>Matured</u>    | <u>Balance<br/>June 30, 2025</u> |
|----------------------------|--------------------------|---------------------------|---------------------------------|---------------------|-------------------|----------------------------------|
| E-Studio Copier            | 2.10%                    | \$ 107,107                | \$ 62,324                       |                     | \$ 20,609         | \$ 41,715                        |
| Savin Copier               | 4.35%                    | 70,136                    | 15,227                          |                     | 15,227            |                                  |
| Toshiba Estudio Copier     | 4.25%                    | 22,880                    | 15,010                          |                     | 3,865             | 11,145                           |
| St. Mary's Building Rental | 3.00%                    | 1,224,035                 |                                 | \$ 1,224,035        | 497,090           | 726,945                          |
|                            |                          |                           | <u>\$ 92,561</u>                | <u>\$ 1,224,035</u> | <u>\$ 536,791</u> | <u>\$ 779,805</u>                |

**STATISTICAL SECTION**  
**(UNAUDITED)**

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

**Contents**

**Exhibit**

**Financial Trends**

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

J-1 thru J-5

**Revenue Capacity**

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

J-6 thru J-9

**Debt Capacity**

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

J-10 thru J-13

**Demographic and Economic Information**

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

J-14 thru J-15

**Operating Information**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the 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,      |               |               |               |               |               |               |               |               |               |
|---------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                             | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          | 2024          | 2025          |
| Governmental Activities:                    |               |               |               |               |               |               |               |               |               |               |
| Net Investment in Capital Assets            | \$ 10,703,350 | \$ 12,286,161 | \$ 12,945,891 | \$ 13,641,132 | \$ 13,335,249 | \$ 13,375,357 | \$ 14,752,731 | \$ 15,775,572 | \$ 16,351,078 | \$ 16,954,516 |
| Restricted                                  | 3,645,996     | 4,633,333     | 3,853,965     | 5,185,436     | 7,919,891     | 8,659,251     | 7,138,433     | 8,147,393     | 8,119,003     | 9,054,684     |
| Unrestricted/(Deficit)                      | (6,757,468)   | (9,552,690)   | (8,258,689)   | (9,046,148)   | (9,485,812)   | (7,577,018)   | (5,728,638)   | (7,716,665)   | (9,223,852)   | (7,754,394)   |
| Total Governmental Activities Net Position  | \$ 7,591,878  | \$ 7,366,804  | \$ 8,541,167  | \$ 9,780,420  | \$ 11,769,328 | \$ 14,457,590 | \$ 16,162,526 | \$ 16,206,300 | \$ 15,246,229 | \$ 18,254,806 |
| Business-Type Activities                    |               |               |               |               |               |               |               |               |               |               |
| Investment in Capital Assets                | \$ 60,064     | \$ 52,898     | \$ 48,855     | \$ 145,821    | \$ 134,591    | \$ 128,146    | \$ 116,702    | \$ 116,558    | \$ 109,115    | \$ 90,115     |
| Unrestricted                                | 1,705         | 7,780         | 9,895         | 12,635        | 1,736         | 8,636         | 17,992        | 18,766        | 17,064        | 45,022        |
| Total Business-Type Activities Net Position | \$ 61,769     | \$ 60,678     | \$ 58,750     | \$ 158,456    | \$ 136,327    | \$ 136,782    | \$ 134,694    | \$ 135,324    | \$ 126,179    | \$ 135,137    |
| District-Wide:                              |               |               |               |               |               |               |               |               |               |               |
| Net Investment in Capital Assets            | \$ 10,763,414 | \$ 12,339,059 | \$ 12,994,746 | \$ 13,786,953 | \$ 13,469,840 | \$ 13,503,503 | \$ 14,869,433 | \$ 15,892,130 | \$ 16,460,193 | \$ 17,044,631 |
| Restricted                                  | 3,645,996     | 4,633,333     | 3,853,965     | 5,185,436     | 7,919,891     | 8,659,251     | 7,138,433     | 8,147,393     | 8,119,003     | 9,054,684     |
| Unrestricted/(Deficit)                      | (6,755,763)   | (9,544,910)   | (8,248,794)   | (9,033,513)   | (9,484,076)   | (7,568,382)   | (5,710,646)   | (7,697,899)   | (9,206,788)   | (7,709,372)   |
| Total District Net Position                 | \$ 7,653,647  | \$ 7,427,482  | \$ 8,599,917  | \$ 9,938,876  | \$ 11,905,655 | \$ 14,594,372 | \$ 16,297,220 | \$ 16,341,624 | \$ 15,372,408 | \$ 18,389,943 |

Source: School District Financial Reports

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

|                                                 | Fiscal Year Ended June 30, |               |               |               |               |               |               |               |               |               |
|-------------------------------------------------|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                 | 2016                       | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          | 2024          | 2025          |
| Expenses:                                       |                            |               |               |               |               |               |               |               |               |               |
| Governmental Activities:                        |                            |               |               |               |               |               |               |               |               |               |
| Instruction:                                    |                            |               |               |               |               |               |               |               |               |               |
| Regular                                         | \$ 15,496,872              | \$ 18,115,297 | \$ 18,492,272 | \$ 18,796,075 | \$ 16,032,026 | \$ 16,729,932 | \$ 19,344,407 | \$ 17,232,783 | \$ 17,837,012 | \$ 15,957,374 |
| Special Education                               | 5,251,149                  | 6,415,138     | 7,304,815     | 7,124,219     | 6,870,793     | 7,133,082     | 8,688,075     | 6,791,410     | 7,991,248     | 8,167,954     |
| Other Special Instruction                       | 621,163                    | 691,902       | 858,522       | 691,427       | 576,033       | 758,597       | 926,545       | 700,197       | 825,456       | 760,288       |
| Other Instruction                               | 261,729                    | 367,574       | 334,386       | 380,798       | 305,885       | 130,673       | 325,021       | 200,228       | 362,957       | 280,858       |
| Support Services:                               |                            |               |               |               |               |               |               |               |               |               |
| Tuition                                         | 753,046                    | 713,191       | 819,361       | 783,168       | 380,013       | 460,543       | 471,120       | 928,847       | 605,322       | 1,022,281     |
| Student & Instruction Related Services          | 3,765,102                  | 4,110,774     | 3,965,621     | 4,870,066     | 4,765,790     | 4,672,319     | 5,301,041     | 5,672,971     | 6,078,730     | 6,054,867     |
| General Administrative Services                 | 966,576                    | 837,242       | 905,336       | 847,596       | 1,023,060     | 984,119       | 1,075,265     | 932,877       | 1,124,393     | 939,265       |
| School Administrative Services                  | 1,864,563                  | 2,119,772     | 2,251,688     | 2,343,562     | 2,069,539     | 2,090,192     | 2,066,954     | 1,840,745     | 2,013,165     | 2,181,727     |
| Central Services                                | 450,713                    | 477,381       | 456,972       | 505,775       | 477,332       | 483,968       | 510,578       | 516,599       | 508,023       | 596,824       |
| Administrative Information Technology           | 458,409                    | 417,008       | 445,885       | 361,490       | 377,018       | 375,088       | 368,565       | 346,189       | 422,214       | 441,105       |
| Plant Operations And Maintenance                | 2,424,721                  | 2,754,553     | 2,619,201     | 2,815,321     | 3,384,301     | 3,337,019     | 4,034,209     | 3,964,706     | 4,352,435     | 3,830,601     |
| Pupil Transportation                            | 2,412,540                  | 2,673,210     | 2,557,365     | 2,851,468     | 2,582,921     | 2,237,351     | 2,697,931     | 2,958,081     | 3,335,962     | 3,558,727     |
| Capital Outlay                                  | 560,502                    | 409,050       | 237,103       | 43,027        | 4,704         | 251,242       | 469,505       | 4,703         | 4,704         |               |
| Transfer to Charter School                      | 124,953                    | 85,768        | 77,596        | 150,082       | 40,268        | 24,451        | 64,207        | 92,931        | 110,921       | 98,780        |
| Interest On Long-Term Debt                      | 53,301                     | 33,701        | 14,176        |               |               |               |               |               |               |               |
| Total Governmental Activities Expenses          | 35,465,339                 | 40,221,561    | 41,340,299    | 42,564,073    | 38,889,682    | 39,668,576    | 46,343,423    | 42,183,267    | 45,572,542    | 43,890,651    |
| Business-type activities:                       |                            |               |               |               |               |               |               |               |               |               |
| Food Service                                    | 57,089                     | 35,869        | 71,580        | 67,998        | 66,226        | 38,074        | 121,028       | 90,866        | 121,095       | 165,145       |
| Total Business-Type Activities Expense          | 57,089                     | 35,869        | 71,580        | 67,998        | 66,226        | 38,074        | 121,028       | 90,866        | 121,095       | 165,145       |
| Total District Expenses                         | 35,522,428                 | 40,257,430    | 41,411,879    | 42,632,071    | 38,955,908    | 39,706,650    | 46,464,451    | 42,274,133    | 45,693,637    | 44,055,796    |
| Program Revenues:                               |                            |               |               |               |               |               |               |               |               |               |
| Governmental Activities:                        |                            |               |               |               |               |               |               |               |               |               |
| Charges For Services:                           |                            |               |               |               |               |               |               |               |               |               |
| Regular Instruction                             | 169,181                    | 118,287       | 239,715       | 138,481       | 121,684       | 27,970        | 91,020        | 68,386        | 128,310       | 91,400        |
| Student and Instruction Related Services        |                            |               |               |               |               | 3,960         | 77,622        | 89,224        | 103,632       | 141,570       |
| Operating Grants and Contributions              | 8,278,249                  | 10,602,542    | 12,195,834    | 12,670,361    | 8,856,878     | 9,867,150     | 15,271,224    | 9,059,940     | 9,096,678     | 8,849,105     |
| Capital Grants and Contributions                |                            |               |               |               |               |               |               |               | 457,020       | 1,254,769     |
| Total Governmental Activities Program Revenues  | 8,447,430                  | 10,720,829    | 12,435,549    | 12,808,842    | 8,978,562     | 9,899,080     | 15,439,866    | 9,217,550     | 9,785,640     | 10,336,844    |
| Business-Type Activities:                       |                            |               |               |               |               |               |               |               |               |               |
| Charges For Services:                           |                            |               |               |               |               |               |               |               |               |               |
| Food Service                                    | 11,820                     | 12,280        | 14,805        | 14,102        | 13,126        | 2,504         | 44,403        | 20,048        | 20,025        | 25,404        |
| Operating Grants and Contributions              | 19,450                     | 19,441        | 19,050        | 16,445        | 11,699        | 7,896         | 19,354        | 18,228        | 16,684        | 64,664        |
| Capital Grants and Contributions                | 59,839                     |               |               |               |               |               |               |               |               |               |
| Total Business Type Activities Program Revenues | 91,109                     | 31,721        | 33,855        | 30,547        | 24,825        | 10,400        | 63,757        | 38,276        | 36,709        | 90,068        |
| Total District Program Revenues                 | 8,538,539                  | 10,752,550    | 12,469,404    | 12,839,389    | 9,003,387     | 9,909,480     | 15,503,623    | 9,255,826     | 9,822,349     | 10,426,912    |

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

|                                                     | Fiscal Year Ended June 30, |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|-----------------------------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                     | 2016                       | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                |
| Net (Expense)/Revenue Governmental Activities       | \$ (27,017,909)            | \$ (29,500,732)     | \$ (28,904,750)     | \$ (29,755,231)     | \$ (29,911,120)     | \$ (29,769,496)     | \$ (30,903,557)     | \$ (32,965,717)     | \$ (35,786,902)     | \$ (33,553,807)     |
| Business-Type Activities                            | 34,020                     | (4,148)             | (37,725)            | (37,451)            | (41,401)            | (27,674)            | (57,271)            | (52,590)            | (84,386)            | (75,077)            |
| Total District-Wide Net Expense                     | <u>(26,983,889)</u>        | <u>(29,504,880)</u> | <u>(28,942,475)</u> | <u>(29,792,682)</u> | <u>(29,952,521)</u> | <u>(29,797,170)</u> | <u>(30,960,828)</u> | <u>(33,018,307)</u> | <u>(35,871,288)</u> | <u>(33,628,884)</u> |
| General Revenues and Other Changes in Net Position: |                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Governmental Activities:                            |                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Property Taxes Levied for General Purposes, Net     | 27,266,482                 | 28,390,548          | 29,398,723          | 30,557,436          | 31,168,585          | 32,324,284          | 32,489,754          | 32,735,008          | 34,705,112          | 35,895,098          |
| Taxes Levied for Debt Service                       | 411,550                    | 397,176             | 379,137             | 240,242             |                     |                     |                     |                     |                     |                     |
| Federal and State Aid not Restricted                | 183,290                    | 198,421             | 193,701             | 98,562              | 10,741              | 25,609              | 17,045              | 27,717              | 10,094              | 13,520              |
| Interest and Miscellaneous Income                   | 734,111                    | 258,113             | 116,945             | 253,463             | 224,826             | 114,283             | 123,560             | 299,766             | 176,625             | 200,566             |
| Restricted Miscellaneous Revenue                    | 37,180                     | 67,051              | 26,318              | 17,885              |                     | 26,220              | 33,134              |                     |                     |                     |
| Prior Year Accounts Payable Canceled                |                            |                     |                     |                     |                     |                     |                     |                     |                     | 75,000              |
| Transfers                                           |                            | (39,044)            | (35,711)            | (36,091)            | (19,038)            | (28,000)            | (55,000)            | (53,000)            | (65,000)            | (79,000)            |
| Total Governmental Activities                       | <u>28,632,613</u>          | <u>29,272,265</u>   | <u>30,079,113</u>   | <u>31,131,497</u>   | <u>31,385,114</u>   | <u>32,462,396</u>   | <u>32,608,493</u>   | <u>33,009,491</u>   | <u>34,826,831</u>   | <u>36,105,184</u>   |
| Business-Type Activities:                           |                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Interest and Miscellaneous Income                   |                            | 86                  | 86                  | 228                 | 234                 | 129                 | 183                 | 220                 | 10,241              | 10,297              |
| Capital Contributions/(Disposals)                   |                            | (3,123)             |                     |                     |                     |                     |                     |                     |                     | (5,262)             |
| Transfers                                           |                            |                     | 35,711              | 36,091              | 19,038              | 28,000              | 55,000              | 53,000              | 65,000              | 79,000              |
| Total Business-Type Activities                      |                            | <u>(3,037)</u>      | <u>35,797</u>       | <u>36,319</u>       | <u>19,272</u>       | <u>28,129</u>       | <u>55,183</u>       | <u>53,220</u>       | <u>75,241</u>       | <u>84,035</u>       |
| Total District-Wide                                 | <u>28,632,613</u>          | <u>29,269,228</u>   | <u>30,114,910</u>   | <u>31,167,816</u>   | <u>31,404,386</u>   | <u>32,490,525</u>   | <u>32,663,676</u>   | <u>33,062,711</u>   | <u>34,902,072</u>   | <u>36,189,219</u>   |
| Change in Net Position:                             |                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Governmental Activities                             | 1,614,704                  | (228,467)           | 1,174,363           | 1,376,266           | 1,473,994           | 2,692,900           | 2,692,900           | 43,774              | (960,071)           | 2,551,377           |
| Business-Type Activities                            | 34,020                     | (7,185)             | (1,928)             | (1,132)             | (22,129)            | 455                 | 455                 | 630                 | (9,145)             | 8,958               |
| Total District                                      | <u>\$ 1,648,724</u>        | <u>\$ (235,652)</u> | <u>\$ 1,172,435</u> | <u>\$ 1,375,134</u> | <u>\$ 1,451,865</u> | <u>\$ 2,693,355</u> | <u>\$ 2,693,355</u> | <u>\$ 44,404</u>    | <u>\$ (969,216)</u> | <u>\$ 2,560,335</u> |

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,    |             |             |             |             |              |              |              |              |              |
|----------------------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
|                                              | 2016        | 2017        | 2018        | 2019        | 2020        | 2021         | 2022         | 2023         | 2024         | 2025         |
| General Fund:                                |             |             |             |             |             |              |              |              |              |              |
| Nonspendable                                 |             |             |             |             |             |              |              |              |              |              |
| Restricted                                   | \$3,645,995 | \$4,633,332 | \$3,853,964 | \$5,185,436 | \$7,848,402 | \$8,586,691  | \$7,080,524  | \$248,906    | \$253,884    | \$258,962    |
| Assigned                                     | 1,072,407   | 585,151     | 2,304,337   | 1,568,022   | 1,292,041   | 2,099,416    | 2,367,047    | 8,099,719    | 8,082,367    | 9,027,248    |
| Unassigned                                   | 575,219     | 598,468     | 588,535     | 700,690     | 488,771     | 1,340,779    | 1,544,990    | 669,072      | 1,058,387    | 1,146,212    |
| Total General Fund                           | \$5,293,621 | \$5,816,951 | \$6,746,836 | \$7,454,148 | \$9,629,214 | \$12,026,886 | \$10,992,561 | \$9,543,246  | \$9,825,051  | \$10,697,936 |
| All Other Governmental Funds:                |             |             |             |             |             |              |              |              |              |              |
| Committed                                    | \$1,297,299 | \$7,453     |             |             |             |              |              |              |              |              |
| Restricted                                   | 1           | 1           | 1           |             | \$71,489    | \$72,560     | \$57,909     | \$47,674     | \$36,636     | \$27,436     |
| Unassigned/(Deficit)                         |             |             |             |             |             |              |              | (576,270)    | (846,421)    |              |
| Total All Other Governmental Funds/(Deficit) | \$1,297,300 | \$7,454     | \$1         | \$-0-       | \$71,489    | \$72,560     | \$57,909     | \$ (528,596) | \$ (809,785) | \$27,436     |
| Total Governmental Funds:                    |             |             |             |             |             |              |              |              |              |              |
| Nonspendable                                 |             |             |             |             |             |              |              | \$248,906    | \$253,884    | \$258,962    |
| Restricted                                   | \$3,645,996 | \$4,633,333 | \$3,853,965 | \$5,185,436 | \$7,919,891 | \$8,659,251  | \$7,138,433  | 8,147,393    | 8,119,003    | 9,054,684    |
| Committed                                    | 1,297,299   | 7,453       |             |             |             |              |              |              |              |              |
| Assigned                                     | 1,072,407   | 585,151     | 2,304,337   | 1,568,022   | 1,292,041   | 2,099,416    | 2,367,047    | 669,072      | 1,058,387    | 1,146,212    |
| Unassigned/(Deficit)                         | 575,219     | 598,468     | 588,535     | 700,690     | 488,771     | 1,340,779    | 1,544,990    | (50,721)     | (410,008)    | 265,514      |
| Total Governmental Funds                     | \$6,590,921 | \$5,824,405 | \$6,746,837 | \$7,454,148 | \$9,700,703 | \$12,099,446 | \$11,050,470 | \$9,014,650  | \$9,021,266  | \$10,725,372 |

Source: School District Financial Reports

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

UNAUDITED

(modified accrual basis of accounting)

|                                        | Fiscal Year Ended June 30, |              |              |              |              |              |              |              |              |              |
|----------------------------------------|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                        | 2016                       | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         |
| <b>Revenues:</b>                       |                            |              |              |              |              |              |              |              |              |              |
| Tax Levy                               | \$27,678,032               | \$28,787,724 | \$29,777,860 | \$30,797,678 | \$31,168,585 | \$32,324,284 | \$32,489,754 | \$32,735,008 | \$34,705,112 | \$35,895,098 |
| Tuition                                | 169,181                    | 118,287      | 239,715      | 138,481      | 121,684      | 27,970       | 91,020       | 68,386       | 128,310      | 91,400       |
| Rents and Royalties                    |                            |              |              |              |              |              |              |              |              | 32,000       |
| Miscellaneous                          | 771,887                    | 328,397      | 146,128      | 281,042      | 230,317      | 157,114      | 239,116      | 395,766      | 280,257      | 311,580      |
| State Sources                          | 4,449,412                  | 4,841,471    | 5,424,694    | 6,161,361    | 6,087,207    | 7,361,097    | 9,496,424    | 10,198,171   | 10,932,532   | 11,758,047   |
| Federal Sources                        | 534,722                    | 487,279      | 467,358      | 477,009      | 436,503      | 608,399      | 902,843      | 790,042      | 1,187,269    | 1,878,886    |
| Total Revenue                          | 33,603,234                 | 34,563,158   | 36,055,755   | 37,855,571   | 38,044,296   | 40,478,864   | 43,219,157   | 44,187,373   | 47,233,480   | 49,967,011   |
| <b>Expenditures:</b>                   |                            |              |              |              |              |              |              |              |              |              |
| <b>Instruction:</b>                    |                            |              |              |              |              |              |              |              |              |              |
| Regular Instruction                    | 8,734,158                  | 9,132,694    | 8,886,776    | 9,327,774    | 9,092,984    | 9,478,273    | 10,556,657   | 11,368,087   | 10,550,027   | 10,718,256   |
| Special Education Instruction          | 3,056,855                  | 3,397,465    | 3,709,601    | 3,641,436    | 4,089,450    | 4,269,632    | 4,630,049    | 4,233,007    | 5,052,507    | 5,370,351    |
| Other Special Instruction              | 321,096                    | 320,143      | 377,620      | 313,891      | 303,417      | 399,636      | 467,366      | 433,725      | 513,573      | 486,699      |
| Other Instruction                      | 142,557                    | 183,934      | 159,400      | 188,754      | 169,835      | 69,180       | 239,791      | 170,112      | 256,064      | 190,872      |
| Support Services:                      |                            |              |              |              |              |              |              |              |              |              |
| Tuition                                | 753,046                    | 713,191      | 819,361      | 783,168      | 380,013      | 460,543      | 471,120      | 928,847      | 605,322      | 1,022,281    |
| Student & Instruction Related Services | 3,068,436                  | 3,185,758    | 3,103,727    | 3,730,793    | 3,738,014    | 3,686,184    | 4,029,074    | 4,586,908    | 4,341,839    | 4,389,979    |
| General Administrative Services        | 767,811                    | 603,288      | 685,524      | 592,172      | 693,546      | 614,050      | 722,787      | 648,328      | 799,892      | 701,609      |
| School Administrative Services         | 1,057,516                  | 1,098,689    | 1,121,381    | 1,178,251    | 1,168,675    | 1,190,630    | 1,162,765    | 1,213,495    | 1,266,241    | 1,411,121    |
| Central Services                       | 308,923                    | 326,221      | 324,909      | 329,636      | 336,880      | 342,685      | 374,409      | 374,535      | 376,759      | 396,680      |
| Administrative Information Technology  | 310,904                    | 293,970      | 222,470      | 215,857      | 207,723      | 218,608      | 223,124      | 268,258      | 295,533      | 302,930      |
| Plant Operations And Maintenance       | 1,940,526                  | 2,122,614    | 2,201,036    | 2,230,607    | 2,785,317    | 2,602,772    | 3,390,721    | 3,416,595    | 3,745,429    | 3,152,547    |
| Pupil Transportation                   | 1,513,595                  | 1,536,640    | 1,659,262    | 1,851,796    | 1,690,172    | 1,672,910    | 1,912,807    | 2,107,989    | 2,312,230    | 2,187,256    |
| Unallocated Benefits                   | 8,450,982                  | 9,114,694    | 10,128,679   | 11,006,767   | 11,162,947   | 11,981,432   | 13,395,272   | 14,695,323   | 15,314,254   | 16,300,027   |
| Debt Service:                          |                            |              |              |              |              |              |              |              |              |              |
| Principal                              | 490,000                    | 490,000      | 485,000      | 315,000      |              |              |              |              |              |              |
| Interest And Other Charges             | 71,200                     | 51,600       | 32,000       | 12,600       |              |              |              |              |              |              |
| Capital Outlay                         | 1,217,779                  | 2,720,202    | 1,103,270    | 1,243,585    | 434,376      | 1,041,135    | 2,680,091    | 1,652,856    | 1,627,273    | 2,747,552    |
| Transfer to Charter Schools            | 124,953                    | 85,768       | 77,596       | 150,082      | 40,268       | 24,451       | 64,207       | 92,931       | 110,921      | 98,780       |
| Total Expenditures                     | 32,330,337                 | 35,376,871   | 35,097,612   | 37,112,169   | 36,293,617   | 38,052,121   | 44,320,240   | 46,190,996   | 47,167,864   | 49,476,940   |

DENVERVILLE TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

*(modified accrual basis of accounting)*

(Continued)

|                                      | Fiscal Year Ended June 30, |              |            |            |              |              |                |                |           |              |
|--------------------------------------|----------------------------|--------------|------------|------------|--------------|--------------|----------------|----------------|-----------|--------------|
|                                      | 2016                       | 2017         | 2018       | 2019       | 2020         | 2021         | 2022           | 2023           | 2024      | 2025         |
| Excess/(Deficiency) Of Revenues      |                            |              |            |            |              |              |                |                |           |              |
| Over/(Under) Expenditures            | \$ 1,272,897               | \$ (813,713) | \$ 958,143 | \$ 743,402 | \$ 1,750,679 | \$ 2,426,743 | \$ (1,101,083) | \$ (2,003,623) | \$ 65,616 | \$ 490,071   |
| Other Financing Sources/(Uses):      |                            |              |            |            |              |              |                |                |           |              |
| Leases (Non-Budgeted)                |                            |              |            |            |              |              | 107,107        | 20,803         |           | 1,224,035    |
| Prior Year Accounts Payable Canceled |                            |              |            |            |              |              |                |                |           | 75,000       |
| Transfers                            | (13,465)                   | (39,044)     | (35,711)   | (36,091)   | (19,038)     | (28,000)     | (55,000)       | (53,000)       | (65,000)  | (79,000)     |
| Total Other Financing Sources/(Uses) | 1,927,094                  | 47,197       | (35,711)   | (36,091)   | (19,038)     | (28,000)     | (55,000)       | (32,197)       | (65,000)  | 1,220,035    |
| Net Change In Fund Balances          | \$ 3,199,991               | \$ (766,516) | \$ 922,432 | \$ 707,311 | \$ 1,731,641 | \$ 2,398,743 | \$ (1,156,083) | \$ (2,035,820) | \$ 616    | \$ 1,710,106 |
| Debt Service As A Percentage         |                            |              |            |            |              |              |                |                |           |              |
| Of Noncapital Expenditures           | 1.80%                      | 1.66%        | 1.52%      | 0.91%      | 0.00%        | 0.00%        | 0.00%          | 0.00%          | 0.00%     | 0.00%        |

Source: School District Financial Reports

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

| <u>Fiscal<br/>Year Ended<br/>June 30,</u> | <u>Interest on<br/>Investments</u> | <u>Tuition</u> | <u>Prior<br/>Year<br/>Refunds</u> | <u>Other</u> | <u>Total</u> |
|-------------------------------------------|------------------------------------|----------------|-----------------------------------|--------------|--------------|
| 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      |
| 2024                                      | 81,808                             | 128,310        | 37,536                            | 115,281      | 362,935      |
| 2025                                      | 57,724                             | 91,400         | 137,558                           | 37,284       | 323,966      |

Source: Denville Township School District records

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

| Year Ended<br>Dec. 31, | Vacant<br>Land | Residential      | Farm<br>Regular | Farm<br>Qualified | Commercial     | Industrial    | Apartment    | Total<br>Assessed<br>Value | Tax-Exempt<br>Property | Public<br>Utilities <sup>a</sup> | Net Valuation<br>Taxable | Total Direct<br>School Tax<br>Rate <sup>b</sup> | Estimated<br>Actual<br>(County<br>Equalized Value) |
|------------------------|----------------|------------------|-----------------|-------------------|----------------|---------------|--------------|----------------------------|------------------------|----------------------------------|--------------------------|-------------------------------------------------|----------------------------------------------------|
|                        |                |                  |                 |                   |                |               |              |                            |                        |                                  |                          |                                                 |                                                    |
| 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         | \$ 1.224                                        | \$ 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            | 0.921                                           | 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            | 0.953                                           | 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            | 0.920                                           | 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            | 1.010                                           | 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            | 1.030                                           | 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            | 1.050                                           | 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            | 1.060                                           | 3,464,015,112                                      |
| 2023                   | 55,828,000     | 2,480,024,100    | 4,027,500       | 83,900            | 429,270,500    | 95,520,900    | 30,396,000   | 3,095,150,900              | 247,234,100            | -0-                              | 3,095,150,900            | 1.090                                           | 3,784,447,039                                      |
| 2024                   | 44,423,200     | 2,499,862,100    | 4,027,500       | 90,900            | 434,023,400    | 96,600,100    | 30,396,000   | 3,109,423,200              | 247,992,100            | -0-                              | 3,109,423,200            | 1.136                                           | 4,206,117,947                                      |

\* 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

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

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

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<br>Dec. 31, | Denville Township School District |                                         |                 |                   |                  |                    | Total Direct<br>and<br>Overlapping<br>Tax Rate |
|------------------------|-----------------------------------|-----------------------------------------|-----------------|-------------------|------------------|--------------------|------------------------------------------------|
|                        | Direct Rate                       |                                         |                 | Overlapping Rates |                  |                    |                                                |
|                        | General                           |                                         |                 | Township          | Morris Hills     |                    |                                                |
|                        | Basic<br>Rate <sup>a</sup>        | Obligation<br>Debt Service <sup>b</sup> | Total<br>Direct | of<br>Denville    | Morris<br>County | Regional<br>School |                                                |
| 2015                   | \$ 1.206                          | \$ 0.018                                | \$ 1.224        | \$ 0.626          | \$ 0.362         | \$ 0.910           | \$ 3.122                                       |
| 2016                   | * 0.908                           | 0.013                                   | 0.921           | 0.478             | 0.275            | 0.711              | 2.385                                          |
| 2017                   | 0.941                             | 0.012                                   | 0.953           | 0.480             | 0.279            | 0.730              | 2.442                                          |
| 2018                   | 0.913                             | 0.007                                   | 0.920           | 0.460             | 0.260            | 0.650              | 2.290                                          |
| 2019                   | 1.010                             | -0-                                     | 1.010           | 0.496             | 0.282            | 0.697              | 2.485                                          |
| 2020                   | 1.030                             | -0-                                     | 1.030           | 0.502             | 0.281            | 0.698              | 2.511                                          |
| 2021                   | 1.050                             | -0-                                     | 1.050           | 0.506             | 0.290            | 0.700              | 2.546                                          |
| 2022                   | 1.060                             | -0-                                     | 1.060           | 0.515             | 0.292            | 0.705              | 2.572                                          |
| 2023                   | 1.090                             | -0-                                     | 1.090           | 0.525             | 0.312            | 0.718              | 2.645                                          |
| 2024                   | 1.136                             | -0-                                     | 1.136           | 0.532             | 0.334            | 0.754              | 2.756                                          |

\* A revaluation occurred in this year.

Note: N.J.S.A.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.

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

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

Source: Municipal Tax Collector and School Business Administrator

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

| 2024                         |                              |                                              | 2015                        |                              |                                              |
|------------------------------|------------------------------|----------------------------------------------|-----------------------------|------------------------------|----------------------------------------------|
| Taxpayer                     | Taxable<br>Assessed<br>Value | % of Total<br>District Net<br>Assessed Value | Taxpayer                    | Taxable<br>Assessed<br>Value | % of Total<br>District Net<br>Assessed Value |
| MPT of Morris LLC            | \$ 58,293,500                | 1.87%                                        | Shops at Union Hall         | \$ 21,966,000                | 0.99%                                        |
| Denville Union Hill LLC      | 33,896,000                   | 1.09%                                        | St. Francis Life Care Corp  | 20,000,000                   | 0.90%                                        |
| Springpoint At Denville Inc  | 31,248,000                   | 1.00%                                        | Tamara Enterprises          | 12,112,200                   | 0.54%                                        |
| Tamara Enterprises           | 18,342,600                   | 0.59%                                        | Rockaway River Country Club | 8,767,600                    | 0.39%                                        |
| Denville Commons LLC         | 16,300,000                   | 0.52%                                        | Individual Taxpayer #1      | 6,737,000                    | 0.30%                                        |
| EV Equities I LLC            | 15,500,000                   | 0.50%                                        | Denville Station, LLC       | 5,108,000                    | 0.23%                                        |
| TEJ Denville Hospitality LLC | 10,710,000                   | 0.34%                                        | Individual Taxpayer #2      | 4,924,000                    | 0.22%                                        |
| Rockaway River Country Club  | 10,027,200                   | 0.32%                                        | Denville West Main, LLC     | 4,900,000                    | 0.22%                                        |
| pinefield Manor LLC          | 9,758,000                    | 0.31%                                        | Grecco Reality LLC          | 4,844,100                    | 0.22%                                        |
| Denville West Main LLC       | 9,529,500                    | 0.31%                                        | WP Properties, LLC          | 4,790,000                    | 0.22%                                        |
| Total                        | \$ 213,604,800               | 6.87%                                        | Total                       | \$ 94,148,900                | 4.23%                                        |

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<br>Ended June 30, | Taxes Levied<br>for the<br>Fiscal Year | Collected within the Fiscal<br>Year of the Levy <sup>a</sup> |                       | Collections in<br>Subsequent<br>Years |
|-------------------------------|----------------------------------------|--------------------------------------------------------------|-----------------------|---------------------------------------|
|                               |                                        | Amount                                                       | Percentage<br>of Levy |                                       |
| 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-                                   |
| 2024                          | 34,705,112                             | 34,705,112                                                   | 100.00%               | -0-                                   |
| 2025                          | 35,895,098                             | 35,895,098                                                   | 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<br>Ended<br>June 30, | Governmental Activities        |                       | Total<br>District | Percentage<br>of Personal<br>Income <sup>a</sup> | Per Capita <sup>a</sup> |
|----------------------------------|--------------------------------|-----------------------|-------------------|--------------------------------------------------|-------------------------|
|                                  | General<br>Obligation<br>Bonds | Financed<br>Purchases |                   |                                                  |                         |
| 2016                             | \$ 1,290,000                   | \$ 2,103,019          | \$ 3,393,019      | 0.23%                                            | \$ 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         | 0.10%                                            | 93                      |
| 2020                             | -0-                            | 1,375,937             | 1,375,937         | 0.09%                                            | 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         | 0.05%                                            | 62                      |
| 2024                             | -0-                            | 963,986               | 963,986           | 0.05%                                            | 55                      |
| 2025                             | -0-                            | 864,999               | 864,999           | 0.04%                                            | 50                      |

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<br>Year<br>Ended<br>June 30, | General Bonded Debt Outstanding |            |                                           | Percentage of<br>Actual Taxable<br>Value <sup>a</sup><br>of Property | Per Capita <sup>b</sup> |
|-------------------------------------|---------------------------------|------------|-------------------------------------------|----------------------------------------------------------------------|-------------------------|
|                                     | General<br>Obligation<br>Bonds  | Deductions | Net General<br>Bonded Debt<br>Outstanding |                                                                      |                         |
| 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-                     |
| 2023                                | -0-                             | -0-        | -0-                                       | 0.00%                                                                | -0-                     |
| 2024                                | -0-                             | -0-        | -0-                                       | 0.00%                                                                | -0-                     |
| 2025                                | -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, 2024  
UNAUDITED

| <u>Governmental Unit</u>                   | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable <sup>a</sup></u> | <u>Estimated<br/>Share of<br/>Overlapping<br/>Debt</u> |
|--------------------------------------------|-----------------------------|-------------------------------------------------------------|--------------------------------------------------------|
| Debt Repaid With Property Taxes            |                             |                                                             |                                                        |
| Township of Denville                       | \$ 7,630,600                | 100.00%                                                     | \$ 7,630,600                                           |
| Morris County General Obligation Debt      | 324,225,727                 | 3.59%                                                       | 11,650,940                                             |
| Morris Hills Regional School District Debt | 11,800,000                  | 35.07%                                                      | 4,138,634                                              |
| Subtotal, Overlapping Debt                 |                             |                                                             | 23,420,174                                             |
| Denville School District Direct Debt       |                             |                                                             | -0-                                                    |
| Total Direct And Overlapping Debt          |                             |                                                             | \$ 23,420,174                                          |

## Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of 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.

- <sup>a</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of 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 2025 |                          |
|----------------------------------------------------|--------------------------|
| Equalized Valuation Basis                          | Denville Township        |
| 2024                                               | \$ 4,436,329,291         |
| 2023                                               | 4,176,428,147            |
| 2022                                               | 3,753,403,293            |
|                                                    | <u>\$ 12,366,160,731</u> |
| Average Equalized Valuation of Taxable Property    | \$ 4,122,053,577         |
| Debt Limit (3% of average equalization value)      | \$ 123,661,607           |
| Net Bonded School Debt as of June 30, 2025         | -0-                      |
| Legal Debt Margin                                  | <u>\$ 123,661,607</u>    |

|                                                                      | Fiscal Year          |                      |                      |                      |                      |                      |                      |                      |                      |                       |
|----------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
|                                                                      | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 | 2025                  |
| Debt Limit                                                           | \$ 96,466,760        | \$ 97,560,547        | \$ 99,391,920        | \$ 98,823,468        | \$ 99,037,132        | \$ 99,505,127        | \$ 101,291,364       | \$ 105,818,022       | \$ 114,095,451       | \$ 123,661,607        |
| Total Net Debt Applicable to Limit                                   | 1,290,000            | 800,000              | 315,000              | -0-                  | -0-                  | -0-                  | -0-                  | -0-                  | -0-                  | -0-                   |
| 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>\$ 123,661,607</u> |
| Total Net Debt Applicable to the Limit As a Percentage of Debt Limit | 1.34%                | 0.82%                | 0.32%                | 0.00%                | 0.00%                | 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 <sup>a</sup> | Personal<br>Income <sup>b</sup> | Morris County<br>Per Capita<br>Personal<br>Income <sup>c</sup> | Unemployment<br>Rate <sup>d</sup> |
|------|-------------------------|---------------------------------|----------------------------------------------------------------|-----------------------------------|
| 2016 | 16,579                  | \$ 1,458,686,736                | \$ 87,984                                                      | 3.80%                             |
| 2017 | 16,746                  | 1,511,426,976                   | 90,256                                                         | 3.60%                             |
| 2018 | 16,630                  | 1,558,147,850                   | 93,695                                                         | 3.20%                             |
| 2019 | 16,435                  | 1,590,480,690                   | 96,774                                                         | 2.80%                             |
| 2020 | 16,362                  | 1,617,792,750                   | 98,875                                                         | 7.70%                             |
| 2021 | 17,100                  | 1,832,008,500                   | 107,135                                                        | 5.10%                             |
| 2022 | 17,127                  | 1,867,819,239                   | 109,057                                                        | 3.10%                             |
| 2023 | 17,148                  | 1,986,595,800                   | 115,850                                                        | 3.40%                             |
| 2024 | 17,376                  | 2,013,009,600 ***               | 115,850 *                                                      | 3.80%                             |
| 2025 | 17,376 **               | 2,013,009,600 ***               | 115,850 *                                                      | N/A                               |

\* - Latest Morris County per capita personal income available (2023) was used for calculation purposes.

\*\* - Latest population data available (2024) was used for calculation purposes.

\*\*\* - Latest personal income data available (2023) 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

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

| 2024                                       |           | 2015                                      |           |
|--------------------------------------------|-----------|-------------------------------------------|-----------|
| Employer                                   | Employees | Employer                                  | Employees |
| Percentage of Total Employment             |           | Percentage of Total Employment            |           |
| Atlantic Health System                     | 10,743    | U.S Army Armament Reseach and Development | 6,000     |
| Norvartis Corporation                      | 6,300     | Atlantic Health System                    | 5,171     |
| U.S Army Armament Research and Development | 6,000     | Norvartis Corporation                     | 4,622     |
| Barclays                                   | 4,222     | Bayer Healthcare, LLC                     | 2,800     |
| Bayer Healthcare, LLC                      | 2,713     | County of Morris                          | 1,757     |
| Automatic Data Processing, Inc.            | 2,600     | Wyndham Worldwide Corporation             | 1,626     |
| Accenture                                  | 2,134     | Accenture                                 | 1,561     |
| PricewaterhouseCoopers                     | 2,095     | St. Clare's                               | 1,504     |
| Cigna                                      | 1,839     | BASF Corporation                          | 1,500     |
| Deloitte & Touche                          | 1,637     | PricewaterhouseCoopers                    | 1,360     |
| Total                                      | 40,283    |                                           | 27,901    |
| Total County Labor Force                   | 269,026   |                                           | 254,562   |

Note - Information is for Morris County

Source: Morris County Economic Development Corporation

DENVILLE TOWNSHIP SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

UNAUDITED

| <u>Function/Program</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>  | <u>2024</u>  | <u>2025</u>  |
|----------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Instruction:                                 |              |              |              |              |              |              |              |              |              |              |
| Regular                                      | 123.0        | 121.0        | 110.0        | 113.5        | 116.0        | 112.9        | 128.5        | 125.6        | 142.0        | 136.0        |
| Special Education                            | 98.5         | 58.0         | 59.0         | 57.0         | 59.0         | 58.0         | 64.0         | 66.5         | 66.0         | 61.0         |
| Support Services:                            |              |              |              |              |              |              |              |              |              |              |
| Student & Instruction Related Services       | 35.0         | 89.0         | 88.0         | 90.0         | 93.0         | 92.0         | 91.0         | 86.3         | 73.0         | 78.0         |
| School Administrative Services               | 17.0         | 17.0         | 17.0         | 20.0         | 20.0         | 20.0         | 21.0         | 21.0         | 13.0         | 19.0         |
| General and Business Administrative Services | 8.0          | 8.0          | 8.0          | 8.0          | 8.0          | 8.0          | 8.0          | 8.0          | 8.0          | 8.0          |
| Plant Operations and Maintenance             | 17.5         | 18.0         | 17.0         | 15.5         | 16.0         | 17.0         | 16.5         | 17.4         | 19.0         | 38.0         |
| Pupil Transportation                         | 20.5         | 42.0         | 30.0         | 28.5         | 26.5         | 25.0         | 26.0         | 26.0         | 37.0         | 28.0         |
| Total                                        | <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> | <u>358.0</u> | <u>368.0</u> |

Source: District Personnel Records

DENVILLE TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

| Fiscal Year | Enrollment | Operating Expenditures <sup>a</sup> | Cost Per Pupil | Percentage Change | Teaching Staff <sup>b</sup> | Pupil/Teacher Ratio |         | Average Daily Enrollment (ADE) <sup>c</sup> | Average Daily Attendance (ADA) <sup>c</sup> | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|----------------|-------------------|-----------------------------|---------------------|---------|---------------------------------------------|---------------------------------------------|--------------------------------------|-------------------------------|
|             |            |                                     |                |                   |                             | Elementary          | Middle  |                                             |                                             |                                      |                               |
| 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                                       | 2.72%                                | 99.76%                        |
| 2023        | 1,707      | 44,538,140                          | 26,091         | 30.88%            | 195                         | 1:8.98              | 1:8.29  | 1,734                                       | 1,643                                       | 4.21%                                | 94.72%                        |
| 2024        | 1,709      | 39,092,295                          | 22,874         | -12.33%           | 202                         | 1:9.98              | 1:08:29 | 1,673                                       | 1,592                                       | -3.49%                               | 95.13%                        |
| 2025        | 1,745      | 46,729,388                          | 26,779         | 17.07%            | 258                         | 1:5.98              | 1:9.24  | 1,674                                       | 1,593                                       | 0.03%                                | 95.16%                        |

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>           | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 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                         | 675         | 705         | 686         | 649         | 650         | 635         | 682         | 703         | 704         | 707         |
| 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                         | 373         | 372         | 362         | 383         | 418         | 433         | 439         | 465         | 463         | 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                         | 598         | 573         | 595         | 586         | 596         | 552         | 543         | 539         | 542         | 573         |
| 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       | 3,246       | 3,246       |

Number of Schools at June 30, 2025  
 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

|                           | Fiscal Year Ended June 30, |            |            |            |            |            |            |              |            |            |
|---------------------------|----------------------------|------------|------------|------------|------------|------------|------------|--------------|------------|------------|
|                           | 2016                       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023         | 2024       | 2025       |
| <u>School Facilities*</u> |                            |            |            |            |            |            |            |              |            |            |
| Lakeview Elementary       | \$ 145,561                 | \$ 204,663 | \$ 175,120 | \$ 158,400 | \$ 281,518 | \$ 192,630 | \$ 254,206 | \$ 349,454   | \$ 233,350 | \$ 167,446 |
| Riverview Elementary      | 95,025                     | 133,608    | 154,518    | 139,764    | 248,399    | 169,968    | 224,300    | 308,342      | 205,897    | 147,747    |
| Valleyview Middle         | 139,244                    | 195,781    | 169,969    | 153,741    | 273,238    | 186,965    | 246,729    | 339,175      | 226,487    | 162,521    |
| Total School Facilities   | 379,829                    | 534,051    | 499,607    | 451,905    | 803,155    | 549,563    | 725,235    | 996,971      | 665,734    | 477,714    |
| <u>Other Facilities</u>   |                            |            |            |            |            |            |            |              |            |            |
| Administration Building   | 2,157                      | 3,033      | 5,151      | 4,659      | 8,280      | 5,666      | 7,477      | 10,278       | 6,863      | 4,925      |
| Bus Garage                | 3,197                      | 4,495      | 10,301     | 9,318      | 16,560     | 11,331     | 14,953     | 20,556       | 13,726     | 9,850      |
| Total Other Facilities    | 5,354                      | 7,528      | 15,452     | 13,977     | 24,840     | 16,997     | 22,430     | 30,834       | 20,589     | 14,775     |
| Grand Total               | \$ 385,183                 | \$ 541,579 | \$ 515,059 | \$ 465,882 | \$ 827,995 | \$ 566,560 | \$ 747,665 | \$ 1,027,805 | \$ 686,323 | \$ 492,489 |

\* 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, 2025  
UNAUDITED

|                                          | Coverage          | Deductible                        |
|------------------------------------------|-------------------|-----------------------------------|
| School Package Policy - NJSIG            |                   |                                   |
| Property - Blanket Building and Contents | \$ 350,000,000.00 | \$ 5,000.00                       |
| Electronic Data Processing               | \$ 350,000,000.00 | \$ 1,000.00                       |
| Equipment Breakdown                      | \$ 350,000,000.00 | \$ 25,000                         |
| Comprehensive General Liability          | \$ 31,000,000.00  |                                   |
| Comprehensive Automotive Liability       | \$ 31,000,000.00  |                                   |
| Crime Coverage                           | \$ 500,000.00     | \$ 1,000                          |
| School District Legal Liability - NJSIG  |                   |                                   |
| Coverage A                               | \$ 31,000,000.00  | \$ 5,000.00                       |
| Coverage B (each claim)                  | \$ 100,000.00     | \$ 5,000.00                       |
| Coverage B (each policy period)          | \$ 300,000.00     |                                   |
| Surety Bonds - Selective Insurance Group |                   |                                   |
| Business Administrator                   | \$ 350,000.00     |                                   |
| Treasurer                                | \$ 320,000.00     |                                   |
| Cyber & Privacy Liability - NJSIG        |                   |                                   |
| Each Claim                               | \$ 2,000,000.00   | \$25,000 or \$250,000             |
| Annual Aggregate                         | \$ 2,000,000.00   | contingent upon controls in place |
| Worker's Compensation - NJSIG            |                   |                                   |
| Bodily Injury by Accident- Each Accident | \$ 3,000,000.00   |                                   |
| Bodily Injury by Disease- Each Employee  | \$ 3,000,000.00   |                                   |
| Bodily Injury by Disease- Aggregate      | \$ 3,000,000.00   |                                   |
| Environmental Impairment Policy - NJSIG  |                   |                                   |
| Aggregate First Party Limit of Insurance | \$ 1,000,000.00   | \$ 50,000.00                      |

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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 26, 2025.

**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  
November 26, 2025

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Man C Lee*  
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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, 2025. 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, 2025.

***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  
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### ***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  
Page 3

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.

November 26, 2025  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Man C Lee*

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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, 2025

| Federal Grantor/Pass Through Grantor/<br>Program Title/Cluster Title | Assistance<br>Listing<br>Number | Grant or State<br>Project Number | Grant Period |         | Program<br>or Award<br>Amount | Balance at June 30, 2024              |                   |                     | Cash<br>Received | Budgetary<br>Expenditures | Prior Year<br>Payables<br>Cancelled | Repayment<br>of Prior<br>Years'<br>Balances | Balance at June 30, 2025              |                   | Amount<br>Provided<br>to Subre-<br>cipients |                     |
|----------------------------------------------------------------------|---------------------------------|----------------------------------|--------------|---------|-------------------------------|---------------------------------------|-------------------|---------------------|------------------|---------------------------|-------------------------------------|---------------------------------------------|---------------------------------------|-------------------|---------------------------------------------|---------------------|
|                                                                      |                                 |                                  | From         | To      |                               | Budgetary<br>(Accounts<br>Receivable) | Due to<br>Grantor | Unearned<br>Revenue |                  |                           |                                     |                                             | Budgetary<br>(Accounts<br>Receivable) | Due to<br>Grantor |                                             | Unearned<br>Revenue |
| U.S. Department of Agriculture -                                     |                                 |                                  |              |         |                               |                                       |                   |                     |                  |                           |                                     |                                             |                                       |                   |                                             |                     |
| Passed-through State Department of Agriculture:                      |                                 |                                  |              |         |                               |                                       |                   |                     |                  |                           |                                     |                                             |                                       |                   |                                             |                     |
| Child Nutrition Cluster:                                             |                                 |                                  |              |         |                               |                                       |                   |                     |                  |                           |                                     |                                             |                                       |                   |                                             |                     |
| National School Lunch Program                                        | 10.555                          | N/A                              | 7/1/24       | 6/30/25 | \$ 55,057                     |                                       |                   | \$ 51,815           | \$ (55,057)      |                           |                                     |                                             |                                       | \$ (3,242)        |                                             |                     |
| Special Milk Program                                                 | 10.556                          | N/A                              | 7/1/23       | 6/30/24 | 16,684                        | \$ (830)                              |                   | 830                 |                  |                           |                                     |                                             |                                       |                   |                                             |                     |
| Special Milk Program                                                 | 10.556                          | N/A                              | 7/1/24       | 6/30/25 | 7,806                         |                                       |                   | 7,387               | (7,806)          |                           |                                     |                                             |                                       | (419)             |                                             |                     |
| Total U.S. Department of Agriculture / Enterprise Fund               |                                 |                                  |              |         |                               | (830)                                 |                   | 60,032              | (62,863)         |                           |                                     |                                             |                                       | (3,661)           |                                             |                     |
| 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                              | 7/1/24       | 6/30/25 | 13,520                        |                                       |                   | 13,520              | (13,520)         |                           |                                     |                                             |                                       |                   |                                             |                     |
| Total U.S. Department of Health and Human Services / General Fund    |                                 |                                  |              |         |                               |                                       |                   | 13,520              | (13,520)         |                           |                                     |                                             |                                       |                   |                                             |                     |
| U.S. Department of Education -                                       |                                 |                                  |              |         |                               |                                       |                   |                     |                  |                           |                                     |                                             |                                       |                   |                                             |                     |
| Passed-through State Department of Education:                        |                                 |                                  |              |         |                               |                                       |                   |                     |                  |                           |                                     |                                             |                                       |                   |                                             |                     |
| Education Stabilization Fund:                                        |                                 |                                  |              |         |                               |                                       |                   |                     |                  |                           |                                     |                                             |                                       |                   |                                             |                     |
| COVID 19 - ARP:                                                      |                                 |                                  |              |         |                               |                                       |                   |                     |                  |                           |                                     |                                             |                                       |                   |                                             |                     |
| Accelerated Learning Coaching &<br>Educator Support                  |                                 |                                  |              |         |                               |                                       |                   |                     |                  |                           |                                     |                                             |                                       |                   |                                             |                     |
|                                                                      | 84.425U                         | S425D210027                      | 3/13/20      | 9/30/24 | 138,341                       | (1,053)                               |                   | 1,853               |                  |                           |                                     |                                             |                                       | \$ 800            |                                             |                     |
| Evidence-Based Summer Learning<br>& Enrichment                       |                                 |                                  |              |         |                               |                                       |                   |                     |                  |                           |                                     |                                             |                                       |                   |                                             |                     |
|                                                                      | 84.425U                         | S425D210027                      | 3/13/20      | 9/30/24 | 40,000                        | (789)                                 |                   | 1,069               | (280)            |                           |                                     |                                             |                                       |                   |                                             |                     |
| Evidence-Based Beyond the School Day                                 |                                 |                                  |              |         |                               |                                       |                   |                     |                  |                           |                                     |                                             |                                       |                   |                                             |                     |
|                                                                      | 84.425U                         | S425D210027                      | 3/13/20      | 9/30/24 | 40,000                        |                                       |                   | 185                 | (12,265)         |                           |                                     |                                             |                                       |                   |                                             |                     |
| COVID-19 - ARP GEER:                                                 |                                 |                                  |              |         |                               |                                       |                   |                     |                  |                           |                                     |                                             |                                       |                   |                                             |                     |
| High Impact Tutoring                                                 |                                 |                                  |              |         |                               |                                       |                   |                     |                  |                           |                                     |                                             |                                       |                   |                                             |                     |
|                                                                      | 84.425C                         | E2400365                         | 10/11/23     | 6/30/25 | 124,344                       | (21,344)                              |                   | 55,886              | (58,136)         | \$ 340                    |                                     |                                             |                                       | (23,254)          |                                             |                     |
| Education Stabilization Fund Total                                   |                                 |                                  |              |         |                               |                                       |                   |                     |                  |                           |                                     |                                             |                                       |                   |                                             |                     |
|                                                                      |                                 |                                  |              |         |                               | (23,186)                              |                   | 12,080              | (70,681)         | 340                       |                                     |                                             |                                       | (23,254)          | 800                                         |                     |
| Special Education Cluster:                                           |                                 |                                  |              |         |                               |                                       |                   |                     |                  |                           |                                     |                                             |                                       |                   |                                             |                     |
| I.D.E.A. Part B, Basic Regular                                       | 84.027A                         | IDEA-1090-25                     | 7/1/23       | 9/30/24 | 403,598                       |                                       |                   | 400,705             | (400,705)        |                           |                                     |                                             |                                       |                   |                                             |                     |
| I.D.E.A. Part B, Preschool                                           | 84.173A                         | IDEA-1090-25                     | 7/1/24       | 9/30/25 | 23,663                        |                                       |                   | 20,242              | (23,116)         |                           |                                     |                                             |                                       | (2,874)           |                                             |                     |
| Special Education Cluster Total                                      |                                 |                                  |              |         |                               |                                       |                   | 420,947             | (423,821)        |                           |                                     |                                             |                                       | (2,874)           |                                             |                     |

**DENVILLE TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

(Continued)

| Federal Grantor/Pass Through Grantor/<br>Program Title/Cluster Title                                                                                                                                               | Assistance<br>Listing<br>Number | Grant or State<br>Project Number | Grant Period |         | Program<br>or Award<br>Amount | Balance at June 30, 2024              |                   | Cash<br>Received | Budgetary<br>Expenditures | Prior Year<br>Payables<br>Cancelled | Repayment<br>of Prior<br>Years'<br>Balances | Balance at June 30, 2025              |                   | Amount<br>Provided<br>to Subre-<br>cipients |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------|--------------|---------|-------------------------------|---------------------------------------|-------------------|------------------|---------------------------|-------------------------------------|---------------------------------------------|---------------------------------------|-------------------|---------------------------------------------|--|
|                                                                                                                                                                                                                    |                                 |                                  | From         | To      |                               | Budgetary<br>(Accounts<br>Receivable) | Due to<br>Grantor |                  |                           |                                     |                                             | Budgetary<br>(Accounts<br>Receivable) | Due to<br>Grantor |                                             |  |
| U.S. Department of Education -<br>Passed-through State Department of Education:<br>Special Revenue Fund:<br>Elementary and Secondary Education Act:                                                                |                                 |                                  |              |         |                               |                                       |                   |                  |                           |                                     |                                             |                                       |                   |                                             |  |
| Title I                                                                                                                                                                                                            | 84.010A                         | ESEA-1090-25                     | 7/1/24       | 9/30/25 | \$ 54,634                     |                                       |                   | \$ 28,130        | \$ (23,597)               |                                     |                                             |                                       | \$ 4,533          |                                             |  |
| Title I                                                                                                                                                                                                            | 84.010A                         | ESEA-1090-24                     | 7/1/23       | 9/30/24 | \$ 63,852                     |                                       | \$ 12,032         | 15,193           | (9,750)                   | \$ 136                              |                                             | \$ 17,611                             | 4,533             |                                             |  |
| Total Title I                                                                                                                                                                                                      |                                 |                                  |              |         |                               |                                       | 12,032            | 43,323           | (33,347)                  | 136                                 |                                             | 17,611                                | 4,533             |                                             |  |
| Title II                                                                                                                                                                                                           | 84.367A                         | ESEA-1090-25                     | 7/1/24       | 9/30/25 | 27,450                        |                                       |                   | 20,628           | (24,566)                  |                                     |                                             |                                       |                   |                                             |  |
| Title II                                                                                                                                                                                                           | 84.367A                         | ESEA-1090-24                     | 7/1/23       | 9/30/24 | 42,630                        |                                       |                   | 12,845           |                           | 850                                 | \$ (250)                                    | \$ (3,938)                            | 850               |                                             |  |
| Title II                                                                                                                                                                                                           | 84.367A                         | ESEA-1090-23                     | 7/1/22       | 9/30/23 | 39,720                        |                                       | \$ (12,845)       |                  |                           |                                     |                                             |                                       |                   |                                             |  |
| Total Title II                                                                                                                                                                                                     |                                 |                                  |              |         |                               | (12,845)                              | 250               |                  | (24,566)                  | 850                                 | (250)                                       | (3,938)                               | 850               |                                             |  |
| Title III                                                                                                                                                                                                          | 84.365A                         | ESEA-1090-25                     | 7/1/24       | 9/30/25 | 59,149                        |                                       |                   | 33,473           | (44,884)                  |                                     |                                             | (8,676)                               |                   |                                             |  |
| Title III                                                                                                                                                                                                          | 84.365A                         | ESEA-1090-24                     | 7/1/23       | 9/30/24 | 3,386                         |                                       | (2,318)           | 7,279            | (4,961)                   |                                     |                                             |                                       |                   |                                             |  |
| Total Title III                                                                                                                                                                                                    |                                 |                                  |              |         |                               | (2,318)                               |                   | 43,487           | (49,845)                  |                                     |                                             | (8,676)                               |                   |                                             |  |
| Title III Immigrant                                                                                                                                                                                                | 84.365A                         | ESEA-1090-25                     | 7/1/24       | 9/30/25 | 4,389                         |                                       | (1,500)           | 4,389            | (4,389)                   |                                     |                                             |                                       |                   |                                             |  |
| Title III Immigrant                                                                                                                                                                                                | 84.365A                         | ESEA-1090-24                     | 7/1/23       | 9/30/24 | 3,386                         |                                       |                   | 1,500            |                           |                                     | (16)                                        |                                       |                   |                                             |  |
| Title III Immigrant                                                                                                                                                                                                | 84.365A                         | NCLB-1090-19                     | 7/1/18       | 6/30/19 | 2,216                         |                                       | 16                |                  |                           |                                     |                                             |                                       |                   |                                             |  |
| Total Title III - Immigrant                                                                                                                                                                                        |                                 |                                  |              |         |                               | (1,500)                               | 16                |                  | (4,389)                   |                                     | (16)                                        |                                       |                   |                                             |  |
| Title IV                                                                                                                                                                                                           | 84.424A                         | ESEA-1090-25                     | 7/1/24       | 9/30/25 | 10,972                        |                                       |                   | 5,889            | (9,013)                   |                                     |                                             |                                       | 1,959             |                                             |  |
| Title IV                                                                                                                                                                                                           | 84.424A                         | ESEA-1090-24                     | 7/1/23       | 9/30/24 | 14,938                        |                                       | (3,451)           | 3,451            |                           |                                     |                                             |                                       |                   |                                             |  |
| Total Title IV                                                                                                                                                                                                     |                                 |                                  |              |         |                               | (3,451)                               |                   | 14,423           | (9,013)                   |                                     |                                             |                                       | 1,959             |                                             |  |
| Elementary and Secondary Education Act Total                                                                                                                                                                       |                                 |                                  |              |         |                               | (20,114)                              | 266               | 140,595          | (121,160)                 | 986                                 | (266)                                       | (12,614)                              | 18,461            | 6,492                                       |  |
| Total U.S. Department of Education / Special Revenue Fund                                                                                                                                                          |                                 |                                  |              |         |                               | (43,300)                              | 266               | 620,535          | (615,662)                 | 1,326                               | (266)                                       | (38,742)                              | 19,261            | 6,492                                       |  |
| U.S. Department of Treasury -<br>Passed-through New Jersey Board of Public Utilities:<br>Capital Projects Fund:<br>School and Small Business Ventilation and Energy<br>Efficiency Verification and Repair Program: |                                 |                                  |              |         |                               |                                       |                   |                  |                           |                                     |                                             |                                       |                   |                                             |  |
| Lakeview HVAC Replacement/<br>New Systems                                                                                                                                                                          | 21.027                          | SSB-VEEVR-<br>68355              | 11/7/22      | 11/7/24 | 1,307,513                     |                                       |                   | 1,254,769        | (1,254,769)               |                                     |                                             |                                       |                   |                                             |  |
| Total U.S. Department of Treasury                                                                                                                                                                                  |                                 |                                  |              |         |                               |                                       |                   | 1,254,769        | (1,254,769)               |                                     |                                             |                                       |                   |                                             |  |
| TOTAL FEDERAL AWARDS                                                                                                                                                                                               |                                 |                                  |              |         |                               | \$ (44,130)                           | \$ 266            | \$ 1,948,856     | \$ (1,946,814)            | \$ 1,326                            | \$ (266)                                    | \$ (42,403)                           | \$ 19,261         | \$ 6,492                                    |  |
| N/A - Not Available/Applicable.                                                                                                                                                                                    |                                 |                                  |              |         |                               |                                       |                   |                  |                           | Accounts Payable                    |                                             | \$ -0-                                |                   |                                             |  |
|                                                                                                                                                                                                                    |                                 |                                  |              |         |                               |                                       |                   |                  |                           | Encumbrances Payable                |                                             | 1,326                                 |                   |                                             |  |
|                                                                                                                                                                                                                    |                                 |                                  |              |         |                               |                                       |                   |                  |                           |                                     |                                             | \$ 1,326                              |                   |                                             |  |

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

DENVILLE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

| State Grantor/Program Title                                                                                               | Grant or State<br>Project Number | Grant Period |         | Program or<br>Award<br>Amount | Balance at July 1, 2024               |                     |                   | Balance at June 30, 2025         |                   |                                       | MEMO                                |  |  |
|---------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------|---------|-------------------------------|---------------------------------------|---------------------|-------------------|----------------------------------|-------------------|---------------------------------------|-------------------------------------|--|--|
|                                                                                                                           |                                  | From         | To      |                               | Budgetary<br>(Accounts<br>Receivable) | Unearned<br>Revenue | Due to<br>Grantor | GAAP<br>(Accounts<br>Receivable) | Due to<br>Grantor | Budgetary<br>(Accounts<br>Receivable) | Cumulative<br>Total<br>Expenditures |  |  |
|                                                                                                                           |                                  |              |         |                               |                                       |                     |                   |                                  |                   |                                       |                                     |  |  |
| State Department of Education:                                                                                            |                                  |              |         |                               |                                       |                     |                   |                                  |                   |                                       |                                     |  |  |
| General Fund:                                                                                                             |                                  |              |         |                               |                                       |                     |                   |                                  |                   |                                       |                                     |  |  |
| Special Education Categorical Aid                                                                                         | 25-495-034-5120-089              | 7/1/24       | 6/30/25 | \$ 2,003,349                  |                                       |                     |                   | \$ 1,804,995                     |                   | \$ (198,354)                          | \$ 2,003,349                        |  |  |
| Categorical Security Aid                                                                                                  | 25-495-034-5120-084              | 7/1/24       | 6/30/25 | 171,795                       |                                       |                     |                   | 154,785                          |                   | (17,010)                              | 171,795                             |  |  |
| Categorical Transportation Aid                                                                                            | 25-495-034-5120-014              | 7/1/24       | 6/30/25 | 1,221,546                     |                                       |                     |                   | 1,100,599                        |                   | (120,947)                             | 1,221,546                           |  |  |
| Additional Non-Public Transportation Aid                                                                                  | 25-495-034-5120-014              | 7/1/24       | 6/30/25 | 34,558                        |                                       |                     |                   |                                  | \$ (34,558)       | (34,558)                              | 34,558                              |  |  |
| Extraordinary Special Education Costs Aid                                                                                 | 25-495-034-5120-044              | 7/1/24       | 6/30/25 | 457,766                       |                                       |                     |                   |                                  | (457,766)         | (457,766)                             | 457,766                             |  |  |
| Reimbursed TPAF Social Security Contributions                                                                             | 25-495-034-5094-003              | 7/1/24       | 6/30/25 | 1,146,626                     |                                       |                     |                   | 1,090,845                        |                   | (55,781)                              | 1,146,626                           |  |  |
| State Reimbursement for Menstrual Products                                                                                | N/A                              | 7/1/24       | 6/30/25 | 4,263                         |                                       |                     |                   |                                  | (4,263)           | (4,263)                               | 4,263                               |  |  |
| Homeless Tuition Reimbursement                                                                                            | N/A                              | 7/1/24       | 6/30/25 | 24,204                        |                                       |                     |                   |                                  | (24,204)          | (24,204)                              | 24,204                              |  |  |
| Homeless Tuition Reimbursement                                                                                            | N/A                              | 7/1/23       | 6/30/24 | 46,075                        |                                       |                     |                   | 46,075                           |                   | (46,075) *                            | 46,075                              |  |  |
| Special Education Categorical Aid                                                                                         | 24-495-034-5120-089              | 7/1/23       | 6/30/24 | 1,872,378                     | \$ (185,737)                          |                     |                   | 185,737                          |                   |                                       | 1,872,378                           |  |  |
| Categorical Security Aid                                                                                                  | 24-495-034-5120-084              | 7/1/23       | 6/30/24 | 157,704                       | (15,644)                              |                     |                   | 15,644                           |                   |                                       | 157,704                             |  |  |
| Categorical Transportation Aid                                                                                            | 24-495-034-5120-014              | 7/1/23       | 6/30/24 | 885,984                       | (87,888)                              |                     |                   | 87,888                           |                   |                                       | 885,984                             |  |  |
| Additional Non-Public Transportation Aid                                                                                  | 24-495-034-5120-014              | 7/1/23       | 6/30/24 | 30,028                        | (30,028)                              |                     |                   | 30,028                           |                   |                                       | 30,028                              |  |  |
| Extraordinary Special Education Costs Aid                                                                                 | 24-495-034-5120-044              | 7/1/23       | 6/30/24 | 506,993                       | (506,993)                             |                     |                   | 506,993                          |                   |                                       | 506,993                             |  |  |
| Reimbursed TPAF Social Security Contributions                                                                             | 24-100-034-5095-002              | 7/1/23       | 6/30/24 | 1,075,698                     | (53,185)                              |                     |                   | 53,185                           |                   |                                       | 1,075,698                           |  |  |
| On-Behalf TPAF Post Retirement Contributions                                                                              | 24-495-034-5094-001              | 7/1/24       | 6/30/25 | 1,504,659                     |                                       |                     |                   | 1,504,659                        |                   | (1,504,659)                           | 1,504,659                           |  |  |
| On-Behalf TPAF Pension Contributions                                                                                      | 24-495-034-5094-002              | 7/1/24       | 6/30/25 | 5,086,395                     |                                       |                     |                   | 5,086,395                        |                   | (5,086,395)                           | 5,086,395                           |  |  |
| On-Behalf TPAF Non-Contributory Insurance                                                                                 | 24-495-034-5094-004              | 7/1/24       | 6/30/25 | 63,007                        |                                       |                     |                   | 63,007                           |                   | (63,007)                              | 63,007                              |  |  |
| On-Behalf TPAF Long-Term Disability Insurance                                                                             | 24-495-034-5094-004              | 7/1/24       | 6/30/25 | 2,395                         |                                       |                     |                   | 2,395                            |                   | (2,395)                               | 2,395                               |  |  |
| Total General Fund                                                                                                        |                                  |              |         |                               | (879,475)                             |                     |                   | 11,733,230                       |                   | (576,572)                             | 16,295,423                          |  |  |
| 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                               |  |  |
| School Development Authority:                                                                                             |                                  |              |         |                               |                                       |                     |                   |                                  |                   |                                       |                                     |  |  |
| Emergent and Capital Maintenance Needs                                                                                    | N/A                              | 7/1/23       | 6/30/25 | 38,451                        |                                       | \$ 38,451           |                   |                                  |                   | (38,451)                              | 38,451                              |  |  |
| Total Special Revenue Fund                                                                                                |                                  |              |         |                               |                                       | 38,451              | 1,550             |                                  | 1,550             |                                       | 47,546                              |  |  |
| Total State Department of Education                                                                                       |                                  |              |         |                               | (879,475)                             |                     | 1,550             | 11,733,230                       | 1,550             | (912,883)                             | 16,342,969                          |  |  |
| New Jersey Department of Agriculture:                                                                                     |                                  |              |         |                               |                                       |                     |                   |                                  |                   |                                       |                                     |  |  |
| Enterprise Fund:                                                                                                          |                                  |              |         |                               |                                       |                     |                   |                                  |                   |                                       |                                     |  |  |
| State School Lunch Program                                                                                                | 25-100-010-3350-025              | 7/1/24       | 6/30/25 | 1,801                         |                                       |                     |                   | 1,682                            |                   | (119)                                 | 1,801                               |  |  |
| Total Enterprise Fund                                                                                                     |                                  |              |         |                               |                                       |                     | 1,550             | 1,682                            |                   | (119)                                 | 1,801                               |  |  |
| Total State Department of Education / State Awards Subject to Single Audit Determination                                  |                                  |              |         |                               | \$ (879,475)                          | \$ -0-              | \$ 3,100          | \$11,734,912                     | \$ 1,550          | \$ (913,002)                          | \$16,344,770                        |  |  |
| Less: State Awards Not Subject to Single Audit Major Program Determination - On-Behalf TPAF Pension System Contributions: |                                  |              |         |                               |                                       |                     |                   |                                  |                   |                                       |                                     |  |  |
| On-Behalf TPAF Post Retirement Contributions                                                                              | 24-495-034-5094-001              | 7/1/24       | 6/30/25 | (1,504,659)                   |                                       |                     |                   |                                  |                   |                                       | 1,504,659                           |  |  |
| On-Behalf TPAF Pension Contributions                                                                                      | 24-495-034-5094-002              | 7/1/24       | 6/30/25 | (5,086,395)                   |                                       |                     |                   |                                  |                   |                                       | 5,086,395                           |  |  |
| On-Behalf TPAF Non-Contributory Insurance                                                                                 | 24-495-034-5094-004              | 7/1/24       | 6/30/25 | (63,007)                      |                                       |                     |                   |                                  |                   |                                       | 63,007                              |  |  |
| On-Behalf TPAF Long-Term Disability Insurance                                                                             | 24-495-034-5094-004              | 7/1/24       | 6/30/25 | (2,395)                       |                                       |                     |                   |                                  |                   |                                       | 2,395                               |  |  |
| Subtotal - On-Behalf TPAF Pension System Contributions                                                                    |                                  |              |         |                               |                                       |                     |                   |                                  |                   |                                       | 6,656,456                           |  |  |
| Total State Awards Subject to Single Audit Major Program Determination                                                    |                                  |              |         |                               |                                       |                     |                   |                                  |                   |                                       | \$ (5,150,434)                      |  |  |
| * Prior year expenditures.                                                                                                |                                  |              |         |                               |                                       |                     |                   |                                  |                   |                                       |                                     |  |  |

\* Prior year expenditures.

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

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the state grant activity of the District under programs of the federal and state governments for the fiscal year ended June 30, 2025. The information in this schedule 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 schedule presents only a selected portion of the operations of the District, it is 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 schedule 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 District'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.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$47,042) for the general fund and (\$5,065) for the special revenue. On the schedule of expenditures of federal awards, capital projects fund grants (SSB-VEEVR) are reported on the GAAP basis when certain grant milestones are accomplished and proper documentation is submitted to the grantor for reimbursement; while on the budgetary basis, the full grant is recognized as revenue at the time of award. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

DENVILLE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(Continued)

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

Awards and financial assistance revenue are reported on the District's basic financial statements on a GAAP basis as follows:

|                            | <u>Federal Sources</u> | <u>State Sources</u> | <u>Total</u>         |
|----------------------------|------------------------|----------------------|----------------------|
| General Fund               | \$ 13,520              | \$ 11,719,596        | \$ 11,733,116        |
| Special Revenue Fund       | 610,597                | 38,451               | 649,048              |
| Proprietary Fund           | <u>62,863</u>          | <u>1,801</u>         | <u>64,664</u>        |
| Total Financial Assistance | <u>\$ 1,941,749</u>    | <u>\$ 11,759,848</u> | <u>\$ 13,701,597</u> |

NOTE 5. RELATIONSHIP TO STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related 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, 2025.

DENVILLE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

|                                                             |       |     |               |               |
|-------------------------------------------------------------|-------|-----|---------------|---------------|
| 1.) Material weakness identified?                           | _____ | Yes | _____ X _____ | No            |
| 2.) Significant deficiencies identified?                    | _____ | Yes | _____ X _____ | None reported |
| Noncompliance material to basic financial statements noted? | _____ | Yes | _____ X _____ | No            |

**Federal Awards**

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

Unmodified

Internal control over major programs:

|                                                                                                    |       |     |               |               |
|----------------------------------------------------------------------------------------------------|-------|-----|---------------|---------------|
| 1.) Material weakness identified?                                                                  | _____ | Yes | _____ X _____ | No            |
| 2.) Significant deficiencies identified?                                                           | _____ | Yes | _____ X _____ | None reported |
| Noncompliance material to basic financial statements noted?                                        | _____ | Yes | _____ X _____ | No            |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? |       |     |               |               |
|                                                                                                    | _____ | Yes | _____ X _____ | No            |

Identification of major programs:

| Program Name or Cluster                                                                                                                      | Assistance<br>Listing No. | Grant Period |         | Award<br>Amount   | Budgetary<br>Expenditures |
|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------|---------|-------------------|---------------------------|
|                                                                                                                                              |                           | Start        | End     |                   |                           |
| School and Small Business Ventilation and Energy<br>Efficiency Verification and Repair Program:<br>Lakeview HVAC Replacement/<br>New SystemS | 21.027                    | 11/7/22      | 11/7/24 | \$ 1,307,513      | \$ 1,254,769              |
| Dollar threshold used to distinguish between Type A and B programs                                                                           |                           |              |         | <u>\$ 750,000</u> |                           |
| Auditee qualified as low-risk auditee?                                                                                                       | _____ X _____             | Yes          |         | _____             | No                        |

DENVILLE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

**State Awards**

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

Internal control over major programs:

1.) Material weakness identified?                      Yes                      X                      No  
 2.) Significant deficiencies identified?                      Yes                      X                      None reported

Noncompliance material to basic financial statements noted?                      Yes                      X                      No

Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?

                     Yes                      X                      No

Identification of major programs:

| Program Name or Cluster           | State Grant No.     | Grant Period |         | Award Amount | Budgetary Expenditures |
|-----------------------------------|---------------------|--------------|---------|--------------|------------------------|
|                                   |                     | Start        | End     |              |                        |
| State Aid Public:                 |                     |              |         |              |                        |
| Special Education Categorical Aid | 25-495-034-5120-089 | 7/1/24       | 6/30/25 | \$ 2,003,349 | \$ 2,003,349           |
| Categorical Security Aid          | 25-495-034-5120-084 | 7/1/24       | 6/30/25 | 171,795      | 171,795                |

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

Auditee qualified as low-risk auditee?                      X                      Yes                      No

**Section II - Financial Statement Findings - N/A**

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

DENVILLE TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Status of Prior Year Findings:

The District had no prior year audit findings.