

**SCHOOL DISTRICT
OF THE
TOWNSHIP OF DENVILLE**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

**Comprehensive Annual
Financial Report**

of the

DENVILLE TOWNSHIP SCHOOL DISTRICT

Denville, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

**Denville Township Board of Education
Finance Department**

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INTRODUCTORY SECTION



Denville Township Schools

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November 13, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Denville Township School District (the "District") for the fiscal year ended June 30, 2015, 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 comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected 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 the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 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.

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

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular as well as special education for classified youngsters with special needs. The District completed the 2014-2015 fiscal year with an average daily enrollment of 1,687 students, which is a decrease of 43 students or 2.20% from the previous year's enrollment.

The Honorable President and Members of
 the Board of Education
 Denville Township School District
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2) ECONOMIC CONDITION AND OUTLOOK:

Enrollment numbers for the current year continue to decline slightly from prior years, primarily in the elementary schools. Given the economic environment of the country as a whole, these drops may continue into the future. The Denville Township School District will continue to be affected by changes in state aid and regulations as it relates to employee salaries and health benefits.

3) MAJOR INITIATIVES:

English Language Arts:

Funding was provided for the hiring of a K-8 Literacy Coach to work with individual teachers and grade levels in K-5 to further the implementation of Readers and Writers Workshop. Additional teacher resources and trade books were purchased to support literacy units. The emphasis in grades 6-8 was continued support of the Common Core Standards and preparation for the new PARCC assessment. Professional development expenses have increased to support Common Core implementation.

Math:

The middle school math program was revised to include High School Algebra 1 and Geometry 1 in a wider variety of math pathways for students. To support this change, new texts were purchased along with the IOWA algebra assessment.

Library-Media:

Funding was provided to replace computer hardware and software. Purchases for additional document cameras, projectors, FM system installations, and SMART board updates continued. The conversion to Microsoft 365 required additional spending for necessary staff professional development.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2015.

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

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

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Health benefits are provided to District employees through Horizon Blue Cross/Blue Shield and dental benefits are provided through Delta Dental. Insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's statistical section.

9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

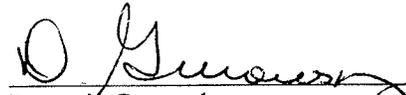
The Honorable President and Members of
the Board of Education
Denville Township School District
Page 4
November 13, 2015

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,

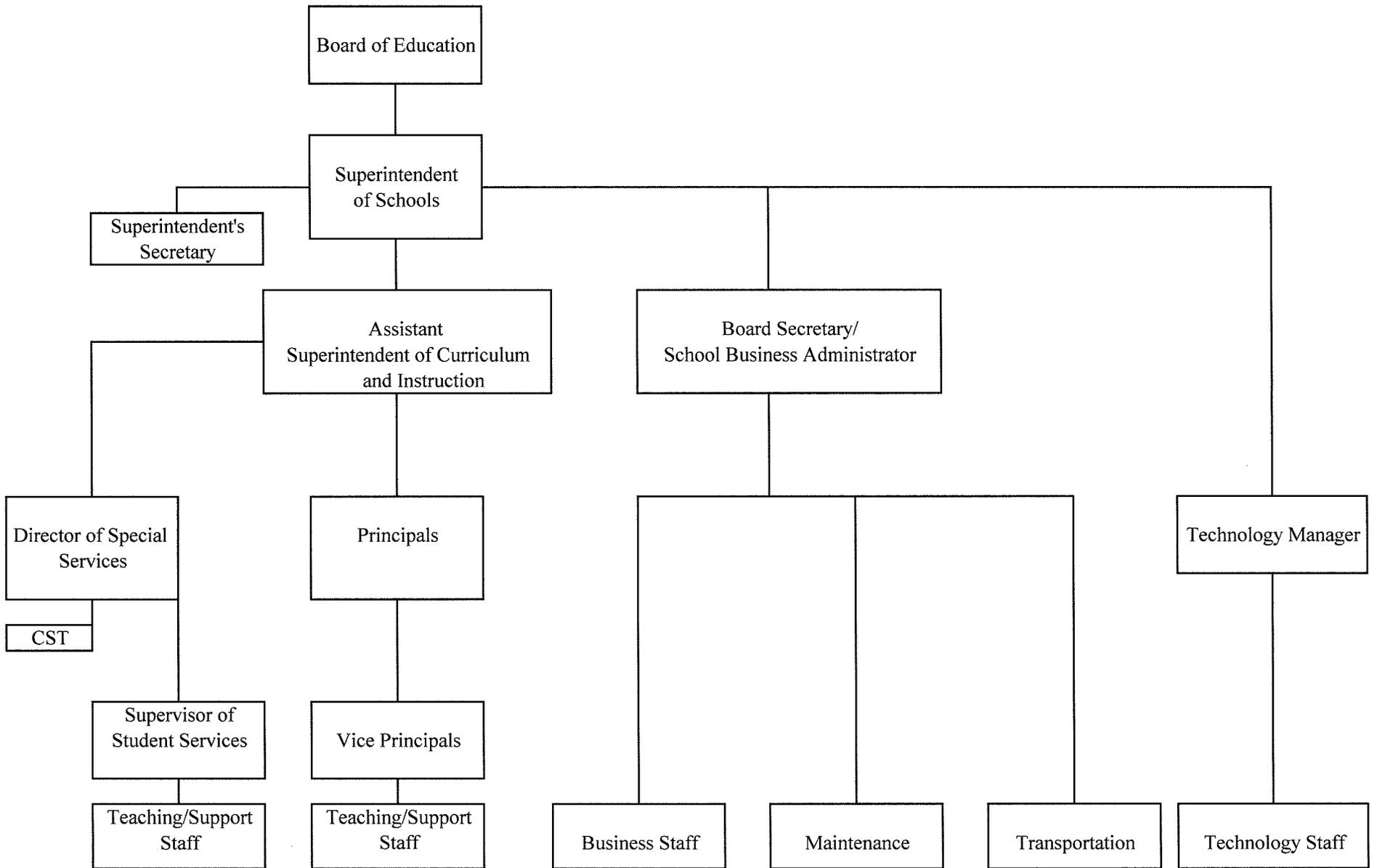


Steven Forte
Superintendent



Damaris Gurowsky
Business Administrator/Board Secretary

**DENVILLE TOWNSHIP SCHOOL DISTRICT
Organizational Chart
(Unit Control)**



**DENVILLE TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
David Napeloni, President	2017
Barbara DeLuna, Vice President	2016
Carlos Duarte	2016
Donald Casse	2017
Michael Andersen	2018
Dino Cappello	2018
Marianna Lindsay	2018

<u>Other Officials</u>	<u>Title</u>
Steven Forte	Superintendent of Schools
John DiPaola	Board Secretary/School Business Administrator (to 5/15/2015)
Vincent Occhino	Interim Board Secretary/School Business Administrator (from 5/16/2015 to 7/12/2015)
Damaris Gurowsky	Board Secretary/School Business Administrator (from 7/13/2015)
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

Audit Firm

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

Architect

DiCara Rubino Architects
30 Galesi Drive, West Wing
Wayne, NJ 07470

Official Depositories

Provident Bank
41 Broadway
Denville, NJ 07834

Bank of America
1125 Route 22 West
Bridgewater, NJ 08807

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

FINANCIAL SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax
 Lawrence Business Park
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Denville Township School District (the "District") in the County of Morris, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Denville Township School District, in the County of Morris, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 18 to the basic financial statements.

Other Matters

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 required supplementary information pension schedules and the budgetary comparison information in Exhibits C-1 through C-3 and I-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey’s OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable President and Members
of the Board of Education
Denville Township School District
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The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2015 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
November 13, 2015

NISIVOCIA LLP



William F. Schroeder
Licensed Public School Accountant #2112
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, 2015
(UNAUDITED)**

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, 2015. 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.

Financial Highlights

- The District’s financial status has improved significantly, in spite of relatively flat direct state aid for several years.
- Overall revenue was \$34.95 million.
- The District had a reduction in its outstanding serial bonds payable of 21.76 percent due to the retirement of debt.

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.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.
- 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**

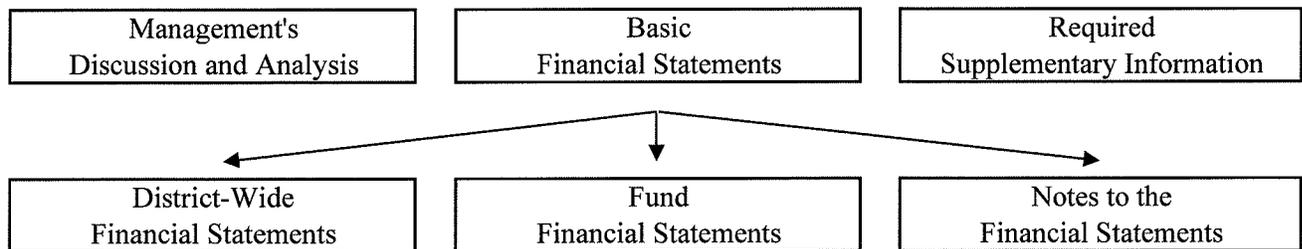


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents 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	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	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	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
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	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
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	All additions and deductions 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 debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three 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.

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

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 22.81%. Net position from governmental activities increased \$1,636,478 while net position from business-type activities decreased by \$4,504. Net investment in capital assets, increased \$775,529, restricted net position increased by \$929,159 and unrestricted net position decreased \$72,714.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2014/2015	2013/2014*	2014/2015	2013/2014	2014/2015	2013/2014*	2014/2015
Current and Other Assets	\$ 4,423,846	\$ 4,218,076	\$ 8,270	\$ 10,711	\$ 4,432,116	\$ 4,228,787	4.81%
Capital Assets, Net	16,964,023	17,022,067	8,159	10,827	16,972,182	17,032,894	-0.36%
Total Assets	21,387,869	21,240,143	16,429	21,538	21,404,298	21,261,681	0.67%
Deferred Outflows of Resources	581,575	30,408			581,575	30,408	1812.57%
Long-Term Debt Outstanding	11,535,240	12,564,522			11,535,240	12,564,522	-8.19%
Other Liabilities	1,126,140	1,569,159	2,145	2,750	1,128,285	1,571,909	-28.22%
Total Liabilities	12,661,380	14,133,681	2,145	2,750	12,663,525	14,136,431	-10.42%
Deferred Inflows of Resources	534,716				534,716		100.00%
Net Position:							
Net Investment in Capital Assets	14,776,654	13,998,457	8,159	10,827	14,784,813	14,009,284	5.54%
Restricted	2,712,774	1,783,615			2,712,774	1,783,615	52.09%
Unrestricted/(Deficit)	(8,716,080)	(8,645,202)	6,125	7,961	(8,709,955)	(8,637,241)	0.84%
Total Net Position	\$ 8,773,348	\$ 7,136,870	\$ 14,284	\$ 18,788	\$ 8,787,632	\$ 7,155,658	22.81%

* - Restated

Changes in Net Position. The District's combined net position was \$8,787,632 on June 30, 2015, \$1,631,974 or 22.81% more than it was the year before (See Figure A-3). Net investment in capital assets increased by \$775,529 due to the \$510,873 in net capital assets additions, the payment of \$495,000 in bond principal, \$207,093 in new leases entered into and \$347,322 in capital lease principal payments, less \$778,678 in depreciation and the \$6,081 in amortized deferred interest. Restricted net position increased by \$929,159 as a result of an increase in excess surplus of \$197,360, an increase in the capital reserve account of \$616,359 and an increase in maintenance reserve of \$115,440. Unrestricted net position decreased by \$72,714 as a result of normal operations, changes in accrued interest, changes in pension liability and changes in compensated absences payable (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
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015
Revenue:							
Program Revenue:							
Charges for Services	\$ 2,843,244	\$ 123,486	\$ 22,219	\$ 13,648	\$ 2,865,463	\$ 137,134	1989.54%
Grants and Contributions:							
Operating	4,315,599	4,065,218	19,260	17,882	4,334,859	4,083,100	6.17%
Capital	700,930				700,930		100.00%
General Revenue:							
Property Taxes	26,747,737	26,671,027			26,747,737	26,671,027	0.29%
Federal and State Aid Not Restricted	189,903	159,830			189,903	159,830	18.82%
Other	112,954	197,818			112,954	197,818	-42.90%
Total Revenue	34,910,367	31,217,379	41,479	31,530	34,951,846	31,248,909	11.85%
Expenses:							
Instruction	20,422,805	17,083,373			20,422,805	17,083,373	19.55%
Pupil and Instruction Services	4,443,333	4,555,742			4,443,333	4,555,742	-2.47%
Administrative and Business	3,284,062	2,667,594			3,284,062	2,667,594	23.11%
Maintenance and Operations	2,146,437	2,118,264			2,146,437	2,118,264	1.33%
Transportation	2,299,967	2,194,261			2,299,967	2,194,261	4.82%
Other	677,285	321,985	45,983	31,120	723,268	353,105	104.83%
Total Expenses	33,273,889	28,941,219	45,983	31,120	33,319,872	28,972,339	15.01%
Increase/(Decrease) in Net Position	\$ 1,636,478	\$ 2,276,160	\$ (4,504)	\$ 410	\$ 1,631,974	\$ 2,276,570	-28.31%

Revenue Sources. The District's total revenue for the 2014/2015 school year was \$34,951,846 (See Figure A-4). Property taxes accounted for most of the District's revenue, with local taxes accounting for \$26,747,737 of the total, or 76.53 percent (See Figure A-5). State formula aid and categorical grants accounted for 14.95 percent and the remainder was from other miscellaneous sources. The Denville Township School District primarily conducts its operations from the revenue it receives from its local taxpayers.

Figure A-5
Sources of Revenue for Fiscal Year 2015

Sources of Income:	Amount	Percentage
State Formula Aid	\$ 1,394,916	3.99%
Property Taxes	26,747,737	76.53%
Federal and State Categorical Grants	3,830,776	10.96%
Charges for Services	2,865,463	8.20%
Other	112,954	0.32%
	\$ 34,951,846	100.00%

The total cost of all programs and services was \$33,319,872. The District's expenses are predominantly related to instructing, caring for (pupil and instruction services) and transporting students (81.54 percent) (See Figure A-6). The District's administrative and maintenance activities accounted for 16.30 percent of total costs. It is important to note that depreciation of \$778,678 is included in expenses for the year.

Figure A-6
Expenses for Fiscal Year 2015

Expense Category:	Amount	Percentage
Instruction	\$ 20,422,805	61.30%
Pupil and Instruction Services	4,443,333	13.34%
Administrative and Business	3,284,062	9.86%
Maintenance and Operations	2,146,437	6.44%
Transportation	2,299,967	6.90%
Other	723,268	2.16%
	\$ 33,319,872	100.00%

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District has improved significantly. However, maintaining existing programs with increased 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.

Because state aid has remained relatively flat over the past few years, the burden of funding education in the District has fallen on property taxes. Therefore, it is crucial that the District examine its expenditures carefully, since any proposed increase to the school district budget will be funded entirely through property taxes.

Figure A-7 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-7
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2014/2015	2013/2014	2014/2015	2013/2014
Instruction	\$ 20,422,805	\$ 17,083,373	\$ 13,425,100	\$ 13,034,291
Pupil and Instruction Services	4,443,333	4,555,742	4,443,333	4,555,742
Administrative and Business	3,284,062	2,667,594	3,140,498	2,544,198
Maintenance and Operations	2,146,437	2,118,264	2,146,437	2,118,264
Transportation	2,299,967	2,194,261	2,282,393	2,178,035
Other	677,285	321,985	(23,645)	321,985
	\$ 33,273,889	\$ 28,941,219	\$ 25,414,116	\$ 24,752,515

- The cost of all governmental activities this year was \$33.27 million.
- The federal and state governments subsidized certain programs with grants and contributions
- Most of the District's costs, however, were financed by District taxpayers (\$26.75 million).
- A portion of governmental activities was financed with state aid based on the SFRA formula.
- The remainder of governmental activities funding came from charges for services, local grants, investment earnings and miscellaneous revenue.

Business-Type Activities

Net position from the District's business-type activities, food service, decreased by \$4,504 due to expenses exceeding revenues for the year due to an increase in the cost of sales. (Refer to Figure A-4).

Financial Analysis of the District's Funds

The District's financial status improved significantly despite difficult economic times which have had a direct impact upon the District's revenue sources. Interest from investments remained unfavorable as compared to years past. Ratables of the Municipality decreased last year, thus generating concern for the local tax levy in the future.

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

General Fund Budgetary Highlights

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

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

Capital Asset and Debt Administration

Figure A-8
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015
Land	\$ 105,150	\$ 105,150			\$ 105,150	\$ 105,150	0.00%
Construction in Progress		1,304,945				1,304,945	-100.00%
Buildings and Building Improvements	14,851,995	13,782,560			14,851,995	13,782,560	7.76%
Machinery and Equipment	2,006,878	1,829,412	\$ 8,159	\$ 10,827	2,015,037	1,840,239	9.50%
Total Capital Assets, Net of Depreciation	<u>\$ 16,964,023</u>	<u>\$ 17,022,067</u>	<u>\$ 8,159</u>	<u>\$ 10,827</u>	<u>\$ 16,972,182</u>	<u>\$ 17,032,894</u>	<u>-0.36%</u>

The District's overall capital assets increased from the prior year due to SDA Grant capital projects that were completed this year along with several other capital asset additions and project completions. (More detailed information about the District's capital assets is presented in Note 7 to the financial statements.)

Long-term Debt

At year-end, the District had \$1,780,000 in general obligation bonds – a reduction of \$495,000 from last year – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements.)

Figure A-9
Outstanding Long-Term Debt

	Total School District		Total Percentage Change
	2014/2015	2013/2014*	2014/2015
General Obligation Bonds, (Financed with Property Taxes)	\$ 1,780,000	\$ 2,275,000	-21.76%
Net Pension Liability	\$ 8,972,558	\$ 8,833,427	1.58%
Other Long-Term Liabilities	782,682	1,456,095	-46.25%
	<u>\$ 11,535,240</u>	<u>\$ 12,564,522</u>	<u>-8.19%</u>

* - Restated

- The District continued to pay down its debt, retiring \$495,000 of outstanding bonds.
- Net Pension Liability increased by \$139,131.
- The District's other long-term liabilities decreased as a result of the repayment of capital leases offset by the issuance of capital leases and the increase in compensated absence liability.
- The District's other long-term liabilities consist of capital leases and compensated absences payable.

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 five existing circumstances that could significantly affect its financial health in the future:

- Changes in regulations by the State of New Jersey, inclusive of limits on revenues and fluctuations in aid, will affect the services offered to the students of the Denville Township School District.
- Maintenance issues within the schools will continue to be a concern for the District. The District will have to dedicate its financial resources towards solving major capital issues within the schools.
- Readiness for Partnership for Assessment of Readiness for College and Careers (PARCC) testing continues to require investment in technology.
- Alignment to the Common Core ELA & Math Standards will require additional professional development expenses and purchase of supporting teacher resources.
- State adoption of the Next Generation of Science Standards will require alignment of curriculum, additional teacher professional development, and purchase of new student science textbooks and/or inquiry kits.

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, 400 Morris Avenue, Suite 279, Denville, New Jersey 07834.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

DENVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,886,241	\$ 8,796	\$ 1,895,037
Internal Balances	2,037	(2,037)	
Receivables from Other Governments	296,304	1,511	297,815
Receivables - Other	44,758		44,758
Restricted Assets:			
Capital Reserve - Cash and Cash Equivalents	1,379,066		1,379,066
Maintenance Reserve - Cash and Cash Equivalents	815,440		815,440
Capital Assets:			
Sites (Land)	105,150		105,150
Depreciable Buildings and Building Improvements and Machinery and Equipment	16,858,873	8,159	16,867,032
Total Assets	<u>21,387,869</u>	<u>16,429</u>	<u>21,404,298</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on the Refunding	24,327		24,327
Changes in Assumptions - Pensions	282,145		282,145
Changes in Proportions - Pensions	275,103		275,103
Total Deferred Outflows of Resources	<u>581,575</u>		<u>581,575</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable - Vendors	940,657	2,145	942,802
Accrued Interest Payable	26,700		26,700
Interfund Payable	47,805		47,805
Payable to State Government	15,255		15,255
Unearned Revenue	29,199		29,199
Unamortized Bond Premium	66,524		66,524
Noncurrent Liabilities:			
Due Within One Year	749,816		749,816
Due Beyond one Year	10,785,424		10,785,424
Total Liabilities	<u>12,661,380</u>	<u>2,145</u>	<u>12,663,525</u>
DEFERRED INFLOW OF RESOURCES			
Investment Gains - Pensions	534,716		534,716
NET POSITION			
Net Investment in Capital Assets	14,776,654	8,159	14,784,813
Restricted for:			
Capital Projects	1,379,066		1,379,066
Debt Service	1		1
Other Purposes	1,333,707		1,333,707
Unrestricted	(8,716,080)	6,125	(8,709,955)
Total Net Position	<u>\$ 8,773,348</u>	<u>\$ 14,284</u>	<u>\$ 8,787,632</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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 14,515,136	\$ 2,843,244	\$ 2,174,357		\$ (9,497,535)		\$ (9,497,535)
Special Education	5,050,466		1,876,890		(3,173,576)		(3,173,576)
Other Special Instruction	609,585		75,771		(533,814)		(533,814)
Other Instruction	247,618		27,443		(220,175)		(220,175)
Support Services:							
Tuition	681,191				(681,191)		(681,191)
Student & Instruction Related Services	3,762,142				(3,762,142)		(3,762,142)
General Administrative Services	804,991				(804,991)		(804,991)
School Administrative Services	1,647,044		143,564		(1,503,480)		(1,503,480)
Central Services	430,332				(430,332)		(430,332)
Administration Information Technology	401,695				(401,695)		(401,695)
Plant Operations and Maintenance	2,146,437				(2,146,437)		(2,146,437)
Pupil Transportation	2,299,967		17,574		(2,282,393)		(2,282,393)
Transfer to Charter Schools	146,064				(146,064)		(146,064)
Interest on Long-Term Debt	73,026				(73,026)		(73,026)
Capital Outlay	458,195			\$ 700,930	242,735		242,735
Total Governmental Activities	33,273,889	2,843,244	4,315,599	700,930	(25,414,116)		(25,414,116)

DENVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:							
Food Service	\$ 44,233	\$ 22,219	\$ 19,260		\$ (2,754)	\$ (2,754)	
Total Business-Type Activities	44,233	22,219	19,260		(2,754)	(2,754)	
Total Primary Government	<u>\$ 33,318,122</u>	<u>\$ 2,865,463</u>	<u>\$ 4,334,859</u>	<u>\$ 700,930</u>	<u>\$ (25,414,116)</u>	<u>(2,754)</u>	<u>(25,416,870)</u>
General Revenues:							
Taxes:							
					26,318,000		26,318,000
					429,737		429,737
					189,903		189,903
					68,040		68,040
					44,914		44,914
					<u>27,050,594</u>		<u>27,050,594</u>
					1,636,478	(2,754)	1,633,724
						(1,750)	(1,750)
					1,636,478	(4,504)	1,631,974
					<u>7,136,870</u>	<u>18,788</u>	<u>7,155,658</u>
					<u>\$ 8,773,348</u>	<u>\$ 14,284</u>	<u>\$ 8,787,632</u>

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, 2015

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,868,878	\$ 17,362	\$ 1	\$ 1,886,241
Interfund Receivables	4,232			4,232
Receivables from State Government	273,415			273,415
Receivables from Federal Government		22,889		22,889
Other Accounts Receivable	44,758			44,758
Restricted Cash and Cash Equivalents	2,194,506			2,194,506
Total Assets	\$ 4,385,789	\$ 40,251	\$ 1	\$ 4,426,041
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable - Vendors	\$ 940,360	\$ 297		\$ 940,657
Interfund Payable	50,000			50,000
Payable to State Government		15,255		15,255
Unearned Revenue	4,500	24,699		29,199
Total Liabilities	994,860	40,251		1,035,111
Fund Balances:				
Restricted:				
Capital Reserve Account	1,379,066			1,379,066
Maintenance Reserve Account	815,440			815,440
Excess Surplus	300,271			300,271
Excess Surplus - Designated for Subsequent Year's Expenditures	217,996			217,996
Debt Service			\$ 1	1

DENVILLE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Fund Balances (Cont'd):				
Assigned:				
Year-End Encumbrances	\$ 138,419			\$ 138,419
Unassigned	539,737			539,737
Total Fund Balances	3,390,929		\$ 1	3,390,930
Total Liabilities and Fund Balances	\$ 4,385,789	\$ 40,251	\$ 1	
 Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) is Different Because:				
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$30,327,910 and the accumulated depreciation is \$13,363,887				16,964,023
Interest on Long-Term Debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.				(26,700)
Deferred bond interest costs are not reported as expenditures in the governmental funds in the year of the expenditure.				24,327
Bond issuance Premiums are reported as revenue in the governmental funds in the year the bonds are sold.				(66,524)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds				(8,972,558)
Certain amounts related to the Net Pension Liability and Deferred and Amortized in the Statement of Activities are not reported in the Governmental Funds:				
Changes in Assumptions - Pensions				282,145
Changes in Proportions - Pensions				275,103
Investment Gains - Pensions				(534,716)
Long-Term Liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds (see Note 8)				(2,562,682)
Net Position of Governmental Activities				\$ 8,773,348

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, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Local Tax Levy	\$ 26,318,000			\$ 429,737	\$ 26,747,737
Tuition	237,466				237,466
Interest on Capital Reserve Funds	100				100
Other Restricted Miscellaneous	44,914				44,914
Miscellaneous	67,940	\$ 9,335			77,275
Total - Local Sources	<u>26,668,420</u>	<u>9,335</u>		<u>429,737</u>	<u>27,107,492</u>
State Sources	3,779,463	90,771	\$ 700,930	156,263	4,727,427
Federal Sources		469,670			469,670
Total Revenues	<u>30,447,883</u>	<u>569,776</u>	<u>700,930</u>	<u>586,000</u>	<u>32,304,589</u>
EXPENDITURES					
Current:					
Regular Instruction	8,549,141	498,948			9,048,089
Special Education Instruction	3,015,140	70,828			3,085,968
Other Special Instruction	348,693				348,693
Other Instruction	153,128				153,128
Support Services and Undistributed Costs:					
Tuition	681,191				681,191
Student & Instruction Related Services	3,128,537				3,128,537
General Administrative Services	611,344				611,344
School Administrative Services	1,028,167				1,028,167
Central Services	286,382				286,382
Administration Information Technology	281,249				281,249
Plant Operations and Maintenance	1,912,041				1,912,041
Pupil Transportation	1,605,048				1,605,048
Allocated and Unallocated Benefits	7,626,778				7,626,778

DENVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES					
Debt Service:					
Principal				\$ 495,000	\$ 495,000
Interest and Other Charges				91,000	91,000
Capital Outlay	\$ 904,296		\$ 453,973		1,358,269
Transfer of Funds to Charter Schools	146,064				146,064
Total Expenditures	30,277,199	\$ 569,776	453,973	586,000	31,886,948
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	170,684	-0-	246,957	-0-	417,641
OTHER FINANCING SOURCES/(USES)					
Capital Leases (non-budgeted)	207,093				207,093
Transfers In/(Out)	434,182		(434,182)		
Total Other Financing Sources/(Uses)	641,275	-0-	(434,182)	-0-	207,093
Net Change in Fund Balances	811,959		(187,225)		624,734
Fund Balance—July 1	2,578,970		187,225	1	2,766,196
Fund Balance—June 30	\$ 3,390,929	\$ -0-	\$ -0-	\$ 1	\$ 3,390,930

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, 2015

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 624,734

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and deletions differ from capital outlays in the period.

	Depreciation expense	\$ (777,760)	
	Capital outlays	900,074	
	Capital Asset Deletions, net of depreciation expense	<u>(180,358)</u>	(58,044)

Repayment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 495,000

Also, the governmental funds report the effect of deferred interest costs relative to an advance refunding when debt is first issued whereas these amounts are deferred and amortized in the statement of activities. (6,081)

Finally, the governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. 16,630

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+). 7,425

Capital leases are a financing source in the governmental funds. They are not revenue in the statement of activities; capital leases increase long-term liabilities in the statement of net position. (207,093)

Repayment of capital 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. 554,415

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		(139,131)
Deferred Outflows:		
Changes in Assumptions		282,145
Changes in Proportion		275,103
Deferred Inflows:		
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		(534,716)

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 (+). 326,091

Change in Net Position of Governmental Activities (A-2) \$ 1,636,478

Exhibit B-4

DENVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	<u>Business-type Activities - Enterprise Funds</u> <u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 8,796
Accounts Receivable:	
Federal	<u>1,511</u>
Total Current Assets	<u>10,307</u>
Non-Current Assets:	
Capital Assets	14,935
Less: Accumulated Depreciation	<u>(6,776)</u>
Total Non-Current Assets	<u>8,159</u>
Total Assets	<u>18,466</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable - Vendors	2,145
Interfund Payable - General Fund	<u>2,037</u>
Total Current Liabilities	<u>4,182</u>
Total Liabilities	<u>4,182</u>
NET POSITION:	
Net Investment in Capital Assets	8,159
Unrestricted	<u>6,125</u>
Total Net Position	<u>\$ 14,284</u>

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

Exhibit B-5

DENVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Business-type Activities - Enterprise Funds</u> <u>Food Service</u>
Operating Revenue:	
Charges for Services:	
Daily Sales	\$ 22,219
Total Operating Revenue	<u>22,219</u>
Operating Expenses:	
Cost of Sales	43,315
Depreciation	<u>918</u>
Total Operating Expenses	<u>44,233</u>
Operating (Loss)	<u>(22,014)</u>
Non-Operating Revenue:	
Federal Sources:	
Special Milk Program	<u>19,260</u>
Total Non-Operating Revenue	<u>19,260</u>
Change in Net Position Before Capital Asset Disposal	(2,754)
Disposal of Capital Assets	<u>(1,750)</u>
Change in Net Position	(4,504)
Net Position - Beginning of Year	<u>18,788</u>
Net Position - End of Year	<u><u>\$ 14,284</u></u>

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

Exhibit B-6

DENVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds
	Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 22,219
Payments to Suppliers	(34,912)
Net Cash (Used for) Operating Activities	(12,693)
Cash Flows from Noncapital Financing Activities:	
Federal Sources - Special Milk Program	19,260
Net Cash Provided by Noncapital Financing Activities	19,260
Net Increase in Cash and Cash Equivalents	6,567
Cash and Cash Equivalents, July 1	2,229
Cash and Cash Equivalents, June 30	\$ 8,796
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (22,014)
Adjustment to Reconcile Operating (Loss) to Cash (Used for) Operating Activities:	
Depreciation	918
Changes in Assets and Liabilities:	
Increase in Interfund Activity	9,008
(Decrease) in Accounts Payable	(605)
Net Cash (Used for) Operating Activities	\$ (12,693)

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

Exhibit B-7

DENVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2015

	<u>Agency</u>	<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>
ASSETS:			
Cash and Cash Equivalents	\$ 43,402	\$ 21,720	\$ 59,651
Interfund Receivable - General Fund			50,000
Total Assets	<u>43,402</u>	<u>21,720</u>	<u>109,651</u>
LIABILITIES:			
Interfund Payable - General Fund	2,195		
Due to Student Groups	41,207		
Total Liabilities	<u>84,609</u>		
NET POSITION:			
Held in Trust for Unemployment Claims			109,651
Held in Trust for Flexible Spending Claims		21,720	
Total Net Position	<u>\$ -0-</u>	<u>\$ 21,720</u>	<u>\$ 109,651</u>

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

Exhibit B-8

DENVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
ADDITIONS:			
Contributions:			
Board Contributions		\$ 86,795	\$ 86,795
Plan Member	\$ 70,386	30,526	100,912
Total Contributions	<u>70,386</u>	<u>117,321</u>	<u>187,707</u>
Total Additions	<u>70,386</u>	<u>117,321</u>	<u>187,707</u>
DEDUCTIONS:			
Unemployment Benefit Claims		62,871	62,871
Flexible Spending Claims	53,490		53,490
Total Deductions	<u>53,490</u>	<u>62,871</u>	<u>116,361</u>
Change in Net Position	16,896	54,450	71,346
Net Position - Beginning of the Year	<u>4,824</u>	<u>55,201</u>	<u>60,025</u>
Net Position - End of the Year	<u>\$ 21,720</u>	<u>\$ 109,651</u>	<u>\$ 131,371</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, 2015

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 publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include two elementary schools and a middle school located in the Township of Denville. 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, except those that are fiduciary. 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

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary and fiduciary* - 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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

B. Basis of Presentation: (Cont'd)

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: 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.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, Payroll Agency Fund, Flexible Spending Trust Fund and Unemployment Compensation Insurance Trust Fund.

C. Measurement Focus and Basis of Accounting

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

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2015 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. 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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 30,451,147	\$ 588,558
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.		(18,782)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	112,170	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(115,434)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 30,447,883	\$ 569,776
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 30,277,199	\$ 588,558
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.		(18,782)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 30,277,199	\$ 569,776

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

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

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.

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.

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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

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

H. Encumbrances: (Cont'd)

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

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 their estimated fair market value on the date received. 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
Building Improvements	20 years
Machinery and Equipment	10 to 15 years
Vehicles	10 to 12 years
Computer and Related Technology	5 to 7 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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages as of June 30, 2015.

N. Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. 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.

O. 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.

P. Fund Balance Appropriated:

General Fund: Of the \$3,390,929 General Fund fund balance at June 30, 2015, \$1,379,066 is restricted in the capital reserve account; \$815,440 is restricted in the maintenance reserve account; \$300,271 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2017; \$217,996 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2016; \$138,419 is assigned for encumbrances; and \$539,737 is unassigned which is \$115,434 less than the calculated maximum unassigned fund balance, on a

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

Budgetary Basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2015.

Debt Service Fund: The Debt Service Fund balance at June 30, 2015 of \$1 is restricted for subsequent year's expenditures.

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.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$115,434 as reported in the fund statements (modified accrual basis). 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.

Q. Deficit Net Position:

The District has a deficit in unrestricted net position of \$8,716,080 in governmental activities, which is due to accrued interest payable of \$26,700, \$350,986 of compensated absences payable, an unamortized bond premium of \$66,524, investment gains in pensions of \$534,716, and net pension liability of \$8,972,558; net of \$138,419 assigned for encumbrances, changes in pension proportions of \$275,103, assigned General Fund fund balance of \$539,737 and changes in pension assumptions of \$282,145. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had a deferred outflow of resources at June 30, 2015 for the deferred amount on the refunding of debt related to the District refunding bonds issued April 29, 2009 and for changes in assumptions in pensions.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

R. Net Position: (Cont'd)

The District had deferred inflows of resources at June 30, 2015 for the changes in proportion in pension and the net difference between projected and actual investment earnings on pension plan investments. Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

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

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

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for excess surplus, a maintenance reserve, a capital reserve and Debt Service.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2015.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for encumbrances in the General Fund at June 30, 2015.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

T. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Funds. For the School 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.

U. Revenue - Exchange and Nonexchange Transactions:

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

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

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.

V. Management Estimates:

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

W. Pensions

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. 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 Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, 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 below and on the following page.

Deposits:

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

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

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

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

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (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 statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2015, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents		Total
		Capital Reserve Account	Maintenance Reserve Account	
Checking Accounts	\$ 2,018,430	\$ 1,379,066	\$ 815,440	\$ 4,212,936
State of New Jersey Cash Management Fund	1,380			1,380
	<u>\$ 2,019,810</u>	<u>\$ 1,379,066</u>	<u>\$ 815,440</u>	<u>\$ 4,214,316</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

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

During the period ended June 30, 2015, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2015 was \$4,214,316 and the bank balance was \$4,574,272. The \$1,380 in the State of New Jersey Cash Management Fund is uninsured and unregistered.

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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 762,707
Interest Earnings	100
Transfer by Board Resolution June 22, 2015	265,000
Unexpended Balance Returned: Capital Projects fund	434,182
Budgeted Withdrawal	<u>(82,923)</u>
Ending Balance, June 30, 2015	<u>\$ 1,379,066</u>

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, 2015, the District transferred funds into certain non-equipment capital outlay accounts which required the approval of the County Superintendent of Schools. The District also transferred funds into the capital outlay accounts for the purchase of equipment. This transfer did not require the approval of the County Superintendent of Schools.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 6. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$700,000 was established by the Denville Township School 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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 700,000
Transfer by Board Resolution June 22, 2015	200,000
Budgeted Withdrawal	<u>(84,560)</u>
Ending Balance, June 30, 2015	<u><u>\$ 815,440</u></u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2015 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 105,150			\$ 105,150
Construction in Progress	1,304,945		\$ (1,304,945)	
Total Capital Assets Not Being Depreciated	<u>1,410,095</u>		<u>(1,304,945)</u>	<u>105,150</u>
Capital Assets Being Depreciated:				
Buildings and Building Improvements	24,753,768	\$ 346,166	1,304,945	26,404,879
Machinery and Equipment	3,907,560	553,908	(643,587)	3,817,881
Total Capital Assets Being Depreciated	<u>28,661,328</u>	<u>900,074</u>	<u>661,358</u>	<u>30,222,760</u>
Governmental Activities Capital Assets	<u>30,071,423</u>	<u>900,074</u>	<u>\$ (643,587)</u>	<u>30,327,910</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(10,971,208)	(581,676)		(11,552,884)
Machinery and Equipment	(2,078,148)	(196,084)	463,229	(1,811,003)
	<u>(13,049,356)</u>	<u>(777,760)</u>	<u>463,229</u>	<u>(13,363,887)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 17,022,067</u>	<u>\$ 122,314</u>	<u>\$ (180,358)</u>	<u>\$ 16,964,023</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 18,845		\$ (3,910)	\$ 14,935
Less Accumulated Depreciation	(8,018)	\$ (918)	2,160	(6,776)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 10,827</u>	<u>\$ (918)</u>	<u>\$ (1,750)</u>	<u>\$ 8,159</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 12,642
Student and Instructional Support Services	152,533
General Administrative	37,425
School Administrative	11,121
Plant Operations and Maintenance	63,319
Pupil Transportation	500,720
	<u>\$ 777,760</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the district-wide financial statements:

	(Restated) Balance 6/30/2014	Accrued	Adjustment/ Retired	Balance 6/30/2015
Serial Bonds Payable	\$ 2,275,000		\$ 495,000	\$ 1,780,000
Compensated Absences Payable	677,077		326,091	350,986
Net Pension Liability	8,833,427	\$ 139,131	139,131	8,833,427
Capital Leases Payable	779,018	207,093	554,415	431,696
	<u>\$ 12,564,522</u>	<u>\$ 346,224</u>	<u>\$ 1,514,637</u>	<u>\$ 11,396,109</u>

A. Bonds Payable:

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

The District had bonds outstanding as of June 30, 2015 as follows:

Final Maturity	Interest Rate	Amount
02/15/19	4.00%	<u>\$ 1,780,000</u>

The current portion of bonds payable at June 30, 2015 is \$490,000 and the long-term portion is \$1,290,000.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 490,000	\$ 71,200	\$ 561,200
2017	490,000	51,600	541,600
2018	485,000	32,000	517,000
2019	315,000	12,600	327,600
	<u>\$ 1,780,000</u>	<u>\$ 167,400</u>	<u>\$ 1,947,400</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. LONG-TERM LIABILITIES

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Compensated Absences Payable	677,077		326,091	350,986
Net Pension Liability	8,833,427	\$ 139,131	139,131	8,833,427
Capital Leases Payable	779,018	207,093	554,415	431,696
	<u>\$ 12,564,522</u>	<u>\$ 346,224</u>	<u>\$ 1,514,637</u>	<u>\$ 11,396,109</u>

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The current portion of bonds payable at June 30, 2015 is \$490,000 and the long-term portion is \$1,290,000.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 490,000	\$ 71,200	\$ 561,200
2017	490,000	51,600	541,600
2018	485,000	32,000	517,000
2019	315,000	12,600	327,600
	<u>\$ 1,780,000</u>	<u>\$ 167,400</u>	<u>\$ 1,947,400</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 8. 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. 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 Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. 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 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$395,073 for fiscal year 2015.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2015, the District reported a liability of \$8,972,558 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. 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, 2014, the District's proportion was 0.048%, which was an increase of 0.002% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$517,941. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 282,145	
Changes in Proportion	275,103	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		\$ 534,716
	<u>\$ 557,248</u>	<u>\$ 534,716</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Fiscal Year Ending June 30,	Total
2015	\$ (81,814)
2016	(81,814)
2017	(81,814)
2018	(81,814)
2019	51,865
Thereafter	22,820
	\$ (252,571)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the table on the following page:

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (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, 2014 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:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 11,287,783	\$ 8,972,558	\$ 7,028,358

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 Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.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, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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 figure on the following page represents the membership tiers for TPAF:

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

<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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2015, the State of New Jersey contributed \$613,712 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$3,219,490.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2015, the State's proportionate share of the net pension liability associated with the District was \$59,831,379. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. 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, 2014, the District's proportion was 0.112%, which was a decrease of 0.011% from its proportion measured as of June 30, 2013.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred 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>59,831,379</u>
Total	\$	<u><u>59,831,379</u></u>

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of \$3,219,490 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 2,306,623,861	
Difference Between Expected and Actual Experience		\$ 21,969,019
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		<u>1,741,236,574</u>
	<u>\$ 2,306,623,861</u>	<u>\$ 1,763,205,593</u>

The \$2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$21,969,019 reported as reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual investment earnings on pension plan investments will be amortized over 5 years.

Fiscal Year Ending June 30,	Total
2016	\$ (130,688,498)
2017	(130,688,498)
2018	(130,688,498)
2019	(130,688,496)
2020	304,620,646
Thereafter	<u>761,551,612</u>
	<u>\$ 543,418,268</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 is summarized in the table on the following page.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-U.S. Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad U.S. Equities	25.90%	5.88%
Large CAP U.S. Equities	0.00%	5.62%
Mid CAP U.S. Equities	0.00%	6.39%
Small CAP U.S. Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

The following presents the net pension liability of the State as of June 30, 2014 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:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
Total Net Pension Liability	\$ 64,722,984,539	\$53,813,067,539	\$44,738,870,539

Pension Plan Fiduciary Net Position

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

NOTE 10. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$974,271, \$776,489 and \$898,924 for 2015, 2014 and 2013, respectively.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 11. RISK MANAGEMENT

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. Health benefits are provided to District employees through Horizon Blue Cross/Blue Shield and dental benefits are provided through Delta Dental.

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ 86,795	\$ -0-	\$ 30,526	\$ 62,871	\$ 109,651
2013-2014	5	-0-	29,487	30,102	55,201
2012-2013	50,128	-0-	28,513	78,773	55,811

NOTE 12. ECONOMIC DEPENDENCY

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

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed as of June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 4,232	\$ 50,000
Proprietary Fund		2,037
Fiduciary Fund	50,000	2,195
	<u>\$ 54,232</u>	<u>\$ 54,232</u>

The interfund between the General Fund and the Payroll Agency Fund represents the unallocated balance in the Net Payroll Account as of June 30, 2015. The interfund between the General Fund and the Unemployment Trust Fund represents board contributions that were not yet turned over as of June 30, 2015. The interfund between the General Fund and the Food Service Fund is for federal reimbursements transferred in excess by the General Fund to the Food Service Fund.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 14. DEFERRED COMPENSATION

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

Metropolitan Life Insurance Company	Great American Life Insurance Company
United of Omaha	Lincoln Investment Planning, Inc.
Copeland Companies	Variable Annuity Life Insurance Company (VALIC)
MetLife Investors	The Equitable
Lincoln National Life Insurance Company	Prudential Investments

NOTE 15. TAX CALENDAR

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

Taxes are collected by the constituent municipality and are remitted to the School District on a predetermined, agreed-upon schedule.

NOTE 16. 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.

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 16. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances:

The following encumbrance balances existed as of June 30, 2015:

	Governmental Activities		
	General	Special	Total
	Fund	Revenue Fund	Governmental Funds
Encumbrances	\$ 138,419	\$ 18,782	\$ 157,201

On the District's Governmental Funds Balance Sheet as of June 30, 2015, \$18,782 is assigned for year-end encumbrances in the Special Revenue Fund, which is \$18,782 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 17. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2015:

	Governmental Activities			Business-Type Activities
	General	Special	Total	Proprietary Funds
	Fund	Revenue Fund	Governmental Funds	
Vendors	\$ 940,360	\$ 297	\$ 940,657	\$ 2,145

NOTE 18. PRIOR PERIOD ADJUSTMENTS

The District made a prior year adjustment in the District Wide Financial Statements to record the net pension liability as of June 30, 2014 as a result of implementing Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

	Balance 6/30/14 as Previously Reported	Retroactive Adjustments	Balance 6/30/14 as Restated
<u>Statement of Net Assets:</u>			
<u>Governmental Activities:</u>			
Statement of Net Position:			
Liabilities:			
Non-Current Liabilities	\$ 3,731,095	\$ 8,833,427	\$ 12,564,522
Total Liabilities	5,331,102	8,833,427	14,164,529
Net Position:			
Unrestricted/(Deficit)	188,225	(8,833,427)	(8,645,202)
Total Net Position	15,970,297	(8,833,427)	7,136,870

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability	0.0462193020%	0.0479233275%
District's proportionate share of the net pension liability	\$ 8,833,427	\$ 8,972,558
District's covered employee payroll	\$ 3,348,994	\$ 3,376,954
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	263.76%	265.70%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

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

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

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 348,253	\$ 395,073
Contributions in relation to the contractually required contribution	<u>(348,253)</u>	<u>(395,073)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 3,348,994	\$ 3,376,954
Contributions as a percentage of covered employee payroll	10.40%	11.70%

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

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DENVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
State's proportion of the net pension liability attributable to the District	0.1230326678%	0.1119457853%
State's proportionate share of the net pension liability attributable to the District	\$ 62,179,743	\$ 59,831,379
District's covered employee payroll	\$ 11,200,315	\$ 11,244,788
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	555.16%	532.08%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

BUDGETARY COMPARISON SCHEDULES

DENVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 26,318,000		\$ 26,318,000	\$ 26,318,000	
Tuition from Other LEAs	40,000		40,000	236,466	\$ 196,466
Tuition from Individuals				1,000	1,000
Interest Earned on Capital Reserve Funds	100		100	100	
Other Restricted Miscellaneous	65,000		65,000	44,914	(20,086)
Unrestricted Miscellaneous	1,000		1,000	67,940	66,940
Total - Local Sources	<u>26,424,100</u>		<u>26,424,100</u>	<u>26,668,420</u>	<u>244,320</u>
State Sources:					
Special Education Categorical Aid	1,026,841		1,026,841	1,026,841	
Categorical Security Aid	25,734		25,734	25,734	
Categorical Transportation Aid	108,847		108,847	108,847	
Extraordinary Aid	95,000		95,000	179,016	84,016
Nonpublic School Transportation Costs				17,574	17,574
Other State Aids	33,640		33,640	33,640	
On-Behalf TPAF Pension Contributions (Non-Budgeted)				613,712	613,712
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				974,271	974,271
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				803,092	803,092
Total State Sources	<u>1,290,062</u>		<u>1,290,062</u>	<u>3,782,727</u>	<u>2,492,665</u>
TOTAL REVENUES	<u>27,714,162</u>		<u>27,714,162</u>	<u>30,451,147</u>	<u>2,736,985</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 547,147	\$ 15,405	\$ 562,552	\$ 562,552	
Grades 1-5 - Salaries of Teachers	4,094,279	234,129	4,328,408	4,328,407	\$ 1
Grades 6-8 - Salaries of Teachers	2,512,137	176,494	2,688,631	2,688,631	
Regular Programs - Home Instruction:					
Salaries of Teachers	17,423	(8,371)	9,052	4,908	4,144
Purchased Professional - Educational Services	10,000	(8,000)	2,000	995	1,005
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	6,000	456	6,456	6,456	
Purchased Technical Services	253,575	91,388	344,963	324,159	20,804
Other Purchased Services (400-500 series)	215,069	(24,710)	190,359	187,486	2,873
General Supplies	560,183	(63,104)	497,079	422,782	74,297
Textbooks	91,000	(71,547)	19,453	12,699	6,754
Other Objects	453	20,255	20,708	10,066	10,642
 Total Regular Programs - Instruction	 <u>8,307,266</u>	 <u>362,395</u>	 <u>8,669,661</u>	 <u>8,549,141</u>	 <u>120,520</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	597,537	40,979	638,516	638,516	
Other Salaries for Instruction	444,391	(7,912)	436,479	436,479	
General Supplies	18,600	(5,381)	13,219	13,192	27
 Total Learning and/or Language Disabilities	 <u>1,060,528</u>	 <u>27,686</u>	 <u>1,088,214</u>	 <u>1,088,187</u>	 <u>27</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 1,224,848	\$ 34,172	\$ 1,259,020	\$ 1,259,020	
Other Salaries for Instruction	234,354	(43,634)	190,720	190,647	\$ 73
General Supplies	18,500	(9,975)	8,525	8,033	492
Total Resource Room/Resource Center	<u>1,477,702</u>	<u>(19,437)</u>	<u>1,458,265</u>	<u>1,457,700</u>	<u>565</u>
Preschool Disabilities - Part-time:					
Salaries of Teachers	180,733	42,992	223,725	223,725	
Other Salaries for Instruction	263,086	(28,640)	234,446	234,446	
General Supplies	14,200	(3,113)	11,087	11,082	5
Total Preschool Disabilities - Part-time	<u>458,019</u>	<u>11,239</u>	<u>469,258</u>	<u>469,253</u>	<u>5</u>
Total Special Education Instruction	<u>2,996,249</u>	<u>19,488</u>	<u>3,015,737</u>	<u>3,015,140</u>	<u>597</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	263,858	19,610	283,468	283,468	
General Supplies	7,953	(2,001)	5,952	5,903	49
Total Basic Skills/Remedial - Instruction	<u>271,811</u>	<u>17,609</u>	<u>289,420</u>	<u>289,371</u>	<u>49</u>
Bilingual Education - Instruction:					
Salaries of Teachers	59,403	(81)	59,322	59,322	
General Supplies	500	(68)	432		432
Total Bilingual Education - Instruction	<u>59,903</u>	<u>(149)</u>	<u>59,754</u>	<u>59,322</u>	<u>432</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 81,382	\$ 2,545	\$ 83,927	\$ 83,927	
Purchased Services (300-500 series)	6,700	13,934	20,634	16,446	\$ 4,188
Supplies and Materials	5,990	1,890	7,880	7,727	153
Total School-Sponsored Cocurricular Activities - Instruction	94,072	18,369	112,441	108,100	4,341
School-Sponsored Athletics - Instruction:					
Salaries	43,685	(3,459)	40,226	40,226	
Purchased Services (300-500 series)	6,310		6,310	4,802	1,508
Total School-Sponsored Cocurricular Activities - Instruction	49,995	(3,459)	46,536	45,028	1,508
Total Instruction	11,779,296	414,253	12,193,549	12,066,102	127,447
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	149,592	(57,749)	91,843	88,893	2,950
Tuition to Private Schools for the Disabled - Within the State	670,803	(78,505)	592,298	592,298	
Total Undistributed Expenditures - Instruction:	820,395	(136,254)	684,141	681,191	2,950
Health Services:					
Salaries	287,298	8,562	295,860	294,860	1,000
Supplies and Materials	9,300	(360)	8,940	8,741	199
Total Health Services	296,598	8,202	304,800	303,601	1,199

DENVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Speech, OT, PT, and Related Services:					
Salaries	\$ 342,678	\$ (19,795)	\$ 322,883	\$ 322,853	\$ 30
Purchased Professional - Educational Services	151,224	51,595	202,819	192,691	10,128
Supplies and Materials	2,700		2,700	2,670	30
<u>Total Speech, OT, PT, and Related Services</u>	<u>496,602</u>	<u>31,800</u>	<u>528,402</u>	<u>518,214</u>	<u>10,188</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	321,332	(26,536)	294,796	294,796	
Purchased Professional - Educational Services	132,000	86,450	218,450	207,676	10,774
Supplies and Materials	10,000	3,475	13,475	13,241	234
<u>Total Other Support Services - Students - Extraordinary Services</u>	<u>463,332</u>	<u>63,389</u>	<u>526,721</u>	<u>515,713</u>	<u>11,008</u>
Guidance:					
Salaries of Other Professional Staff	447,164	7,053	454,217	454,217	
Supplies and Materials	6,453	(1,870)	4,583	4,583	
<u>Total Guidance</u>	<u>453,617</u>	<u>5,183</u>	<u>458,800</u>	<u>458,800</u>	
Child Study Teams:					
Salaries of Other Professional Staff	654,787	(14,641)	640,146	640,146	
Salaries of Secretarial and Clerical Assistants	93,306	1,933	95,239	95,239	
Purchased Professional - Educational Services	15,000	673	15,673	13,973	1,700
Miscellaneous Purchased Services (400-500 Series)	200	1,159	1,359	1,359	
Supplies and Materials	9,017	(5,234)	3,783	3,760	23
Other Objects	6,900	11,425	18,325	18,160	165
<u>Total Child Study Teams</u>	<u>779,210</u>	<u>(4,685)</u>	<u>774,525</u>	<u>772,637</u>	<u>1,888</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 72,500	\$ (72,500)			
Salaries of Other Professional Staff	47,000	(35,188)	\$ 11,812	\$ 11,812	
Purchased Professional - Educational Services	17,900	5,000	22,900	22,573	\$ 327
Other Purchased Services (400-500 series)	1,000	1,000	2,000	1,639	361
Supplies and Materials	1,824		1,824	1,701	123
Total Improvement of Instructional Services	140,224	(101,688)	38,536	37,725	811
Educational Media Services/School Library:					
Salaries	268,077	4,234	272,311	272,310	1
Other Purchased Services (400-500 series)	63,045		63,045	60,513	2,532
Supplies and Materials	31,050	14,013	45,063	27,208	17,855
Total Educational Media Services/School Library	362,172	18,247	380,419	360,031	20,388
CURRENT EXPENSE					
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	72,500	(72,500)			
Salaries of Other Professional Staff	136,300	(12,555)	123,745	123,745	
Purchased Professional - Educational Services	87,250	(47,546)	39,704	24,050	15,654
Other Purchased Services (400-500 series)	3,000	30,000	33,000	12,920	20,080
Supplies and Materials	3,000		3,000	1,101	1,899
Total Instructional Staff Training Services	302,050	(102,601)	199,449	161,816	37,633

DENVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Support Services - General Administration:					
Salaries	\$ 240,403	\$ 162,779	\$ 403,182	\$ 403,182	
Legal Services	22,000	57,133	79,133	79,133	
Audit Fees	27,000	645	27,645	27,645	
Architectural/Engineering Services		3,500	3,500	3,500	
Other Purchased Professional Services	46,117	(7,002)	39,115	39,115	
Communications/Telephone	36,216	(43)	36,173	35,232	\$ 941
BOE Other Purchased Services	2,000	600	2,600	2,577	23
Miscellaneous Purchased Services (400-500 series)	6,400	(5,050)	1,350	1,275	75
General Supplies	4,700	2,300	7,000	6,997	3
BOE In-House Training/Meeting Supplies		75,000	75,000		75,000
Miscellaneous Expenditures	15,790	(2,200)	13,590	12,688	902
Total Support Services - General Administration	400,626	287,662	688,288	611,344	76,944
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	623,420	26,100	649,520	649,488	32
Salaries of Secretarial and Clerical Assistants	333,569	25,780	359,349	359,156	193
Other Purchased Services (400-500 series)	2,500	601	3,101	2,678	423
Supplies and Materials	19,500	(8,000)	11,500	10,684	816
Other Objects	11,300	(3,709)	7,591	6,161	1,430
Total Support Services - School Administration	990,289	40,772	1,031,061	1,028,167	2,894

DENVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Central Services:					
Salaries	\$ 261,598	\$ 21,971	\$ 283,569	\$ 283,547	\$ 22
Miscellaneous Purchased Services (400-500 series)	300	(149)	151		151
Supplies and Materials	2,320	438	2,758	2,758	
Miscellaneous Expenditures	500	(289)	211	77	134
Total Central Services	264,718	21,971	286,689	286,382	307
Administration Information Technology:					
Salaries	240,316	(43,898)	196,418	195,689	729
Other Purchased Services (400-500 series)	21,978	58,850	80,828	72,743	8,085
Supplies and Materials	10,000	3,100	13,100	12,817	283
Total Administration Information Technology	272,294	18,052	290,346	281,249	9,097
Required Maintenance of School Facilities:					
Salaries	131,699	299	131,998	131,934	64
Cleaning, Repair and Maintenance Services	157,500	105,433	262,933	247,231	15,702
General Supplies	28,000	26,465	54,465	52,897	1,568
Other Objects	28,000	(15,237)	12,763	12,754	9
Total Required Maintenance of School Facilities	345,199	116,960	462,159	444,816	17,343

DENVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 661,497	\$ 29,981	\$ 691,478	\$ 691,478	
Salaries of Non-Instructional Aides	103,675	3,936	107,611	107,611	
Purchased Professional and Technical Services	9,100	(3,250)	5,850	4,000	\$ 1,850
Cleaning, Repair and Maintenance Services	21,880	(6,150)	15,730	11,130	4,600
Rental of Land and Building Other Than Lease-Purchase Agreements	44,801	3,000	47,801	47,753	48
Other Purchased Property Services	15,280		15,280	14,762	518
Insurance	104,623	(63,708)	40,915	37,750	3,165
Miscellaneous Purchased Services	40,915	69,114	110,029	110,029	
General Supplies	50,000	197	50,197	41,031	9,166
Energy (Electricity)	238,191	(22,000)	216,191	185,180	31,011
Energy (Oil)		149,889	149,889	139,421	10,468
Other Objects	202,500	(202,500)			
Total Custodial Services	1,492,462	(41,491)	1,450,971	1,390,145	60,826
Care and Upkeep of Grounds:					
Salaries	24,978	(24,978)			
Cleaning, Repair and Maintenance Services	77,150	6,000	83,150	56,250	26,900
General Supplies	5,260	6,325	11,585	5,479	6,106
Total Care and Upkeep of Grounds	107,388	(12,653)	94,735	61,729	33,006

DENVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Security:					
Purchased Professional and Technical Services	\$ 10,360	\$ 5,000	\$ 15,360	\$ 15,351	\$ 9
Total Security	<u>10,360</u>	<u>5,000</u>	<u>15,360</u>	<u>15,351</u>	<u>9</u>
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	803,590	(26,967)	776,623	776,623	
Other Than Between Home and School	126,825	20,480	147,305	147,305	
Cleaning, Repair and Maintenance Services	37,000	(15,000)	22,000	20,571	1,429
Lease Purchase Payments - School Buses	123,888		123,888	123,888	
Contracted Services:					
Aid in Lieu - Nonpublic Schools	101,660	(8,500)	93,160	83,309	9,851
Special Education Students - ESC's & CTSA's	324,394	(83,350)	241,044	224,496	16,548
Miscellaneous Purchased Services - Transportation	30,726		30,726	30,620	106
Transportation Supplies	225,728	(16,480)	209,248	174,454	34,794
Other Objects	58,164	(28,499)	29,665	23,782	5,883
Total Student Transportation Services	<u>1,831,975</u>	<u>(158,316)</u>	<u>1,673,659</u>	<u>1,605,048</u>	<u>68,611</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Unallocated Benefits:					
Social Security Contributions	\$ 424,000	\$ 14,957	\$ 438,957	\$ 438,957	
Other Retirement Contributions - PERS	416,167	(16,822)	399,345	399,292	\$ 53
Other Retirement Contributions - ERIP	10,000		10,000	9,729	271
Unemployment Compensation	136,795	60,000	196,795	86,795	110,000
Workmen's Compensation	162,159	(37,132)	125,027	114,167	10,860
Health Benefits	4,471,230	(423,520)	4,047,710	4,034,454	13,256
Tuition Reimbursement	53,000		53,000	48,627	4,373
Other Employee Benefits	63,959	40,000	103,959	103,682	277
Total Unallocated Benefits	<u>5,737,310</u>	<u>(362,517)</u>	<u>5,374,793</u>	<u>5,235,703</u>	<u>139,090</u>
On-Behalf Contributions:					
On-Behalf TPAF Pension Contributions (Non-Budgeted)				613,712	(613,712)
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				974,271	(974,271)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				803,092	(803,092)
Total On-Behalf Contributions				<u>2,391,075</u>	<u>(2,391,075)</u>
Total Personal Services - Employee Benefits	<u>5,737,310</u>	<u>(362,517)</u>	<u>5,374,793</u>	<u>7,626,778</u>	<u>(2,251,985)</u>
Total Undistributed Expenses	<u>15,566,821</u>	<u>(302,967)</u>	<u>15,263,854</u>	<u>17,160,737</u>	<u>(1,896,883)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>27,346,117</u>	<u>111,286</u>	<u>27,457,403</u>	<u>29,226,839</u>	<u>(1,769,436)</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CAPITAL OUTLAY					
Undistributed Expenditures - Equipment:					
Required Maintenance for School Facility	\$ 7,500		\$ 7,500	\$ 7,500	
Student Transportation Non-Instructional Equipment		\$ 27,849	27,849	27,849	
Total Equipment	<u>7,500</u>	<u>27,849</u>	<u>35,349</u>	<u>35,349</u>	
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	9,500	918	10,418	10,418	
Construction Services	539,200	42,000	581,200	561,318	\$ 19,882
Supplies & Materials	54,800	(25,902)	28,898	22,026	6,872
Lease Purchase Agreements - Principal	59,404	3,984	63,388	63,388	
Other Objects - Assessment for Debt Service on SDA Funding	4,704		4,704	4,704	
Total Facilities Acquisition and Construction Services	<u>667,608</u>	<u>21,000</u>	<u>688,608</u>	<u>661,854</u>	<u>26,754</u>
Assets Acquired Under Capital Leases (non-budgeted)					
Administration Information Technology				207,093	(207,093)
Total Assets Acquired Under Capital Leases (non-budgeted)				<u>207,093</u>	<u>(207,093)</u>
TOTAL CAPITAL OUTLAY	<u>675,108</u>	<u>48,849</u>	<u>723,957</u>	<u>904,296</u>	<u>(180,339)</u>
Transfer of Funds to Charter Schools	99,525	47,000	146,525	146,064	461
TOTAL EXPENDITURES	<u>28,120,750</u>	<u>207,135</u>	<u>28,327,885</u>	<u>30,277,199</u>	<u>(1,949,314)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(406,588)</u>	<u>(207,135)</u>	<u>(613,723)</u>	<u>173,948</u>	<u>787,671</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources:					
Capital Leases (non-budgeted)				\$ 207,093	\$ 207,093
Operating Transfers In:					
Unexpended Balances - Capital Reserve				434,182	434,182
Total Other Financing Sources				641,275	641,275
Excess/(Deficiency) of Revenues and Other Financing Sources					
Over/(Under) Expenditures	\$ (406,588)	\$ (207,135)	\$ (613,723)	815,223	1,428,946
Fund Balance, July 1	2,691,140		2,691,140	2,691,140	
Fund Balance, June 30	\$ 2,284,552	\$ (207,135)	\$ 2,077,417	\$ 3,506,363	\$ 1,428,946
Recapitulation:					
Restricted:					
Excess Surplus				\$ 300,271	
Excess Surplus - Designated for Subsequent Year's Expenditures				217,996	
Capital Reserve				1,379,066	
Maintenance Reserve				815,440	
Assigned					
Year-End Encumbrances				138,419	
Unassigned				655,171	
				3,506,363	
Reconciliation to Governmental Fund Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(115,434)	
Fund Balance per Governmental Funds (GAAP)				\$ 3,390,929	

DENVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 449,973	\$ 84,168	\$ 534,141	\$ 487,027	\$ (47,114)
State Sources	109,822	(3,796)	106,026	90,771	(15,255)
Local Sources		18,627	18,627	10,760	(7,867)
Total Revenues	559,795	98,999	658,794	588,558	(70,236)
EXPENDITURES:					
Instruction					
Salaries of Teachers	10,793	12,639	23,432	13,241	10,191
Purchased Professional - Educational Services	5,847	42,231	48,078	48,078	
Tuition	322,985	58,204	381,189	381,189	
Other Purchased Services	75,322	(60,067)	15,255		15,255
General Supplies	29,131	17,982	47,113	44,220	2,893
Textbooks	12,446	9,065	21,511	13,644	7,867
Total Instruction	456,524	80,054	536,578	500,372	36,206
Support Services					
Personal Services - Employee Benefits	2,484	(2,484)			
Purchased Professional - Educational Services	100,787	3,897	104,684	71,100	33,584
Supplies and Materials		17,532	17,532	17,086	446
Total Support Services	103,271	18,945	122,216	88,186	34,030
Total Expenditures	559,795	98,999	658,794	588,558	70,236
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Exhibit C-3

DENVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 30,451,147	\$ 588,558
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.		(18,782)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	112,170	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(115,434)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 30,447,883	\$ 569,776
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 30,277,199	\$ 588,558
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.		(18,782)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 30,277,199	\$ 569,776

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2015 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. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

DENVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>No Child Left Behind</u>			<u>Nonpublic Textbooks</u>	<u>Nonpublic Nursing</u>
	<u>Title I</u>	<u>Title II, Part A</u>	<u>Title III</u>		
REVENUE:					
Local Sources					
State Sources				\$ 13,644	\$ 21,721
Federal Sources	\$ 58,855	\$ 35,301	\$ 8,712		
Total Revenue	<u>58,855</u>	<u>35,301</u>	<u>8,712</u>	<u>13,644</u>	<u>21,721</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	8,115		5,126		
Purchased Professional Educational Services					
Tuition					
General Supplies	28,539	4,921			
Textbooks				13,644	
Total Instruction	<u>36,654</u>	<u>4,921</u>	<u>5,126</u>	<u>13,644</u>	
Support Services:					
Purchased Professional Educational Services	14,603	24,478			21,721
Supplies and Materials	7,598	5,902	3,586		
Total Support Services	<u>22,201</u>	<u>30,380</u>	<u>3,586</u>		<u>21,721</u>
Total Expenditures	<u>\$ 58,855</u>	<u>\$ 35,301</u>	<u>\$ 8,712</u>	<u>\$ 13,644</u>	<u>\$ 21,721</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>IDEA Part B</u>		<u>Nonpublic Auxiliary Services</u>		<u>Other Local Grants</u>
	<u>Basic</u>	<u>Preschool</u>	<u>Comprehensive Education</u>	<u>Nonpublic Technology</u>	
REVENUE:					
Local Sources					\$ 10,760
State Sources			\$ 16,204	\$ 7,328	
Federal Sources	\$ 362,970	\$ 21,189			
Total Revenue	<u>362,970</u>	<u>21,189</u>	<u>16,204</u>	<u>7,328</u>	<u>10,760</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Purchased Professional Educational Services			16,204		
Tuition	360,000	21,189			
General Supplies					10,760
Textbooks					
Total Instruction	<u>360,000</u>	<u>21,189</u>	<u>16,204</u>		<u>10,760</u>
Support Services:					
Purchased Professional Educational Services	2,970			7,328	
Supplies and Materials					
Total Support Services	<u>2,970</u>			<u>7,328</u>	
Total Expenditures	<u>\$ 362,970</u>	<u>\$ 21,189</u>	<u>\$ 16,204</u>	<u>\$ 7,328</u>	<u>\$ 10,760</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Nonpublic Handicapped Services</u>			<u>Totals</u>
	<u>Supplemental Instruction</u>	<u>Exam and Classification</u>	<u>Corrective Speech</u>	
REVENUE:				
Local Sources				\$ 10,760
State Sources	\$ 10,122	\$ 15,126	\$ 6,626	90,771
Federal Sources				487,027
Total Revenue	<u>10,122</u>	<u>15,126</u>	<u>6,626</u>	<u>588,558</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers				13,241
Purchased Professional Educational Services	10,122	15,126	6,626	48,078
Tuition				381,189
General Supplies				44,220
Textbooks				13,644
Total Instruction	<u>10,122</u>	<u>15,126</u>	<u>6,626</u>	<u>500,372</u>
Support Services:				
Purchased Professional Educational Services				71,100
Supplies and Materials				17,086
Total Support Services				<u>88,186</u>
Total Expenditures	<u>\$ 10,122</u>	<u>\$ 15,126</u>	<u>\$ 6,626</u>	<u>\$ 588,558</u>

CAPITAL PROJECTS FUND

Exhibit F-1

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, 2015

Revenue and Other Financing Sources:	
State Sources - SDA Grants	<u>\$ (293,850)</u>
Total Revenue and Other Financing Sources	<u>(293,850)</u>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	\$ 4,768
Construction Services	449,205
Transfer to Capital Reserve	<u>434,182</u>
Total Expenditures and Other Financing Uses	<u>888,155</u>
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(1,182,005)
Fund Balance - Beginning of Year	<u>1,182,005</u>
Fund Balance - End of Year	<u><u>\$ -0-</u></u>

F-1A

DENVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
LAKEVIEW HVAC UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 127,520	\$ (37,870)	\$ 89,650	\$ 89,650
Transfer from/to Capital Reserve	191,280	(56,805)	134,475	134,475
Total Revenue and Other Financing Sources	<u>318,800</u>	<u>(94,675)</u>	<u>224,125</u>	<u>224,125</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	18,564	4,768	23,332	23,332
Construction Services		200,793	200,793	200,793
Total Expenditures and Other Financing Uses	<u>18,564</u>	<u>205,561</u>	<u>224,125</u>	<u>224,125</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>\$ 300,236</u>	<u>\$ (300,236)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	1090-050-14-2001
Grant Date	April 17, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$ 318,800
Change Orders	\$ (94,675)
Revised Authorized Cost	\$ 224,125
Change Order Percentage	-29.70%
Percentage Completion	100.00%
Original Target Completion Date	September 1, 2014
Revised Target Completion Date	September 1, 2014

F-1B

DENVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RIVERVIEW HVAC UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 153,000	\$ (42,268)	\$ 110,732	\$ 110,732
Transfer from/to Capital Reserve	229,500	(63,401)	166,099	166,099
Total Revenue and Other Financing Sources	<u>382,500</u>	<u>(105,669)</u>	<u>276,831</u>	<u>276,831</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	30,250		30,250	30,250
Construction Services		246,581	246,581	246,581
Total Expenditures and Other Financing Uses	<u>30,250</u>	<u>246,581</u>	<u>276,831</u>	<u>276,831</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>\$ 352,250</u>	<u>\$ 135,919</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	1090-070-14-2006
Grant Date	April 17, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$ 382,500
Change Orders	\$ (105,669)
Revised Authorized Cost	\$ 276,831
Change Order Percentage	-27.63%
Percentage Completion	100.00%
Original Target Completion Date	September 1, 2014
Revised Target Completion Date	September 1, 2014

F-1C

DENVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
LAKEVIEW WINDOW REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 181,640	\$ (27,204)	\$ 154,436	\$ 154,436
Transfer from/to Capital Reserve	272,460	(40,806)	231,654	231,654
Total Revenue and Other Financing Sources	<u>454,100</u>	<u>(68,010)</u>	<u>386,090</u>	<u>386,090</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	38,000		38,000	38,000
Construction Services	372,051	(23,961)	348,090	348,090
Total Expenditures and Other Financing Uses	<u>410,051</u>	<u>(23,961)</u>	<u>386,090</u>	<u>386,090</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>\$ 44,049</u>	<u>\$ 44,049</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	1090-050-14-2003
Grant Date	April 17, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$ 454,100
Change Orders	\$ (68,010)
Revised Authorized Cost	\$ 386,090
Change Order Percentage	-14.98%
Percentage Completion	100.00%
Original Target Completion Date	September 1, 2014
Revised Target Completion Date	September 1, 2014

F-1D

DENVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RIVERVIEW TOILET ROOM UPGRADES FOR ADA COMPLIANCE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 188,000	\$ (56,335)	\$ 131,665	\$ 131,665
Transfer from/to Capital Reserve	282,000	(84,502)	197,498	197,498
Total Revenue and Other Financing Sources	<u>470,000</u>	<u>(140,837)</u>	<u>329,163</u>	<u>329,163</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	36,800		36,800	36,800
Construction Services	313,790	(21,427)	292,363	292,363
Total Expenditures and Other Financing Uses	<u>350,590</u>	<u>(21,427.00)</u>	<u>329,163</u>	<u>329,163</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>\$ 119,410</u>	<u>\$ (119,410)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	1090-070-14-2005
Grant Date	March 13, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$ 470,000
Change Orders	\$ (140,837)
Revised Authorized Cost	\$ 329,163
Change Order Percentage	-29.97%
Percentage Completion	100.00%
Original Target Completion Date	September 1, 2014
Revised Target Completion Date	September 1, 2014

DENVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
LAKEVIEW TOILET ROOM UPGRADES FOR ADA COMPLIANCE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 94,000	\$ (17,258)	\$ 76,742	\$ 76,742
Transfer from/to Capital Reserve	141,000	(25,888)	115,112	115,112
Total Revenue and Other Financing Sources	<u>235,000</u>	<u>(43,146)</u>	<u>191,854</u>	<u>191,854</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	18,400		18,400	18,400
Construction Services	182,940	(9,486)	173,454	173,454
Total Expenditures and Other Financing Uses	<u>201,340</u>	<u>(9,486)</u>	<u>191,854</u>	<u>191,854</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>\$ 33,660</u>	<u>\$ (33,660)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	1090-050-14-2004
Grant Date	March 13, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$ 235,000
Change Orders	\$ (43,146)
Revised Authorized Cost	\$ 191,854
Change Order Percentage	-18.36%
Percentage Completion	100.00%
Original Target Completion Date	September 1, 2014
Revised Target Completion Date	September 1, 2014

F-1F

DENVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
VALLEYVIEW TOILET ROOM UPGRADES FOR ADA COMPLIANCE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 188,000	\$ (78,399)	\$ 109,601	\$ 109,601
Transfer from/to Capital Reserve	282,000	(111,007)	170,993	170,993
Total Revenue and Other Financing Sources	<u>470,000</u>	<u>(189,406)</u>	<u>280,594</u>	<u>280,594</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	36,800		36,800	36,800
Construction Services	257,350	(13,556)	243,794	243,794
Total Expenditures and Other Financing Uses	<u>294,150</u>	<u>(13,556)</u>	<u>280,594</u>	<u>280,594</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>\$ 175,850</u>	<u>\$ (175,850)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	1090-080-14-2009
Grant Date	April 17, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$ 470,000
Change Orders	\$ (189,406)
Revised Authorized Cost	\$ 280,594
Change Order Percentage	-40.30%
Percentage Completion	100.00%
Original Target Completion Date	September 1, 2014
Revised Target Completion Date	September 1, 2014

F-1G

DENVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
VALLEYVIEW PA SYSTEM UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 29,000	\$ (17,118)	\$ 11,882	\$ 11,882
Transfer from/to Capital Reserve	<u>43,500</u>	<u>(25,677)</u>	<u>17,823</u>	<u>17,823</u>
Total Revenue and Other Financing Sources	<u>72,500</u>	<u>(42,795)</u>	<u>29,705</u>	<u>29,705</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services				
Construction Services		<u>29,705</u>	<u>29,705</u>	<u>29,705</u>
Total Expenditures and Other Financing Uses		<u>29,705</u>	<u>29,705</u>	<u>29,705</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>\$ 72,500</u>	<u>\$ (72,500)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Additional Project Information:				
Project Number		1090-080-14-2008		
Grant Date		April 17, 2014		
Bond Authorization Date		Not Applicable		
Bonds Authorized		Not Applicable		
Bonds Issued		Not Applicable		
Original Authorized Cost		\$ 72,500		
Change Orders		\$ (42,795)		
Revised Authorized Cost		\$ 29,705		
Change Order Percentage		-59.03%		
Percentage Completion		100.00%		
Original Target Completion Date		September 1, 2014		
Revised Target Completion Date		September 1, 2014		

F-1H

DENVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RIVERVIEW PA SYSTEM UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 7,620	\$ (1,476)	\$ 6,144	\$ 6,144
Transfer from/to Capital Reserve	11,430	(2,214)	9,216	9,216
Total Revenue and Other Financing Sources	<u>19,050</u>	<u>(3,690)</u>	<u>15,360</u>	<u>15,360</u>
Expenditures and Other Financing Uses:				
Construction Services		15,360	15,360	15,360
Total Expenditures and Other Financing Uses		<u>15,360</u>	<u>15,360</u>	<u>15,360</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>\$ 19,050</u>	<u>\$ (19,050)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	1090-070-14-2007
Grant Date	April 17, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$ 19,050
Change Orders	\$ (3,690)
Revised Authorized Cost	\$ 15,360
Change Order Percentage	-19.37%
Percentage Completion	100.00%
Original Target Completion Date	September 1, 2014
Revised Target Completion Date	September 1, 2014

DENVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
LAKEVIEW PA SYSTEM UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 26,000	\$ (15,922)	\$ 10,078	\$ 10,078
Transfer from/to Capital Reserve	39,000	(23,882)	15,118	15,118
Total Revenue and Other Financing Sources	<u>65,000</u>	<u>(39,804)</u>	<u>25,196</u>	<u>25,196</u>
Expenditures and Other Financing Uses:				
Construction Services		25,196	25,196	25,196
Total Expenditures and Other Financing Uses		<u>25,196</u>	<u>25,196</u>	<u>25,196</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>\$ 65,000</u>	<u>\$ (65,000)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	1090-050-14-2002
Grant Date	April 17, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$ 65,000
Change Orders	\$ (39,804)
Revised Authorized Cost	\$ 25,196
Change Order Percentage	-61.24%
Percentage Completion	100.00%
Original Target Completion Date	September 1, 2014
Revised Target Completion Date	September 1, 2014

PROPRIETARY FUNDS

Exhibit G-1

DENVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 8,796
Accounts Receivable:	
Federal	1,511

Total Current Assets	<u>10,307</u>
----------------------	---------------

Non-Current Assets:

Capital Assets	14,935
Less: Accumulated Depreciation	<u>(6,776)</u>

Total Non-Current Assets	<u>8,159</u>
--------------------------	--------------

Total Assets	<u>18,466</u>
--------------	---------------

LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	2,145
Interfund Payable - General Fund	<u>2,037</u>

Total Current Liabilities	<u>4,182</u>
---------------------------	--------------

Total Liabilities	<u>4,182</u>
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NET POSITION:

Net Investment in Capital Assets	8,159
Unrestricted	<u>6,125</u>

Total Net Position	<u>\$ 14,284</u>
--------------------	------------------

Exhibit G-2

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, 2015

Operating Revenue:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
Special Milk Program	\$ 22,219
	<hr/>
Total Operating Revenue	22,219
	<hr/>
Operating Expenses:	
Cost of Sales	43,315
Depreciation	918
	<hr/>
Total Operating Expenses	44,233
	<hr/>
Operating (Loss)	(22,014)
	<hr/>
Non-Operating Revenue:	
Federal Sources:	
Special Milk Program	19,260
	<hr/>
Total Non-Operating Revenue	19,260
	<hr/>
Change in Net Position Before Capital Assets Adjustment	(2,754)
	<hr/>
Disposal of Capital Assets	(1,750)
	<hr/>
Change in Net Position	(4,504)
	<hr/>
Net Position - Beginning of Year	18,788
	<hr/>
Net Positon - End of Year	\$ 14,284
	<hr/> <hr/>

Exhibit G-3

DENVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 22,219
Payments to Suppliers	<u>(34,912)</u>
Net Cash (Used for) Operating Activities	<u>(12,693)</u>
Cash Flows from Noncapital Financing Activities:	
Federal Sources - Special Milk Program	<u>19,260</u>
Net Cash Provided by Noncapital Financing Activities	<u>19,260</u>
Net Increase in Cash and Cash Equivalents	6,567
Cash and Cash Equivalents, July 1	<u>2,229</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 8,796</u></u>
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (22,014)
Adjustment to Reconcile Operating (Loss) to Cash (Used for) Operating Activities:	
Depreciation	918
Changes in Assets and Liabilities:	
Change in Interfund Activity	9,008
Decrease in Accounts Payable	<u>(605)</u>
Net Cash (Used for) Operating Activities	<u><u>\$ (12,693)</u></u>

FIDUCIARY FUNDS

DENVILLE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Agency</u>		<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>
	<u>Student Activity</u>	<u>Payroll</u>		
ASSETS:				
Cash and Cash Equivalents	\$ 41,207	\$ 2,195	\$ 21,720	\$ 59,651
Interfund Receivable - General Fund				50,000
Total Assets	<u>41,207</u>	<u>2,195</u>	<u>21,720</u>	<u>109,651</u>
LIABILITIES:				
Interfund Payable - General Fund Due to Student Groups	41,207	2,195		
				2,195
	41,207	41,207		
Total Liabilities	<u>41,207</u>	<u>2,195</u>	<u>43,402</u>	
NET POSITION:				
Held in Trust for Unemployment Claims				109,651
Held in Trust for Flexible Spending Claims			21,720	
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 21,720</u>	<u>\$ 109,651</u>

Exhibit H-2

DENVILLE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
ADDITIONS:			
Contributions:			
Board Contributions		\$ 86,795	86,795
Plan Member	\$ 70,386	30,526	\$ 100,912
Total Contributions	70,386	117,321	187,707
Total Additions	70,386	117,321	187,707
DEDUCTIONS:			
Unemployment Benefit Claims		62,871	62,871
Flexible Spending Claims	53,490		53,490
Total Deductions	53,490	62,871	116,361
Change in Net Position	16,896	54,450	71,346
Net Position - Beginning of the Year	4,824	55,201	60,025
Net Position - End of the Year	\$ 21,720	\$ 109,651	\$ 131,371

DENVILLE TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS:				
Cash and Cash Equivalents	\$ 33,400	\$ 110,045	\$ 102,238	\$ 41,207
Total Assets	\$ 33,400	\$ 110,045	\$ 102,238	\$ 41,207
 LIABILITIES:				
Due to Student Groups	\$ 33,400	\$ 110,045	102,238	\$ 41,207
Total Liabilities	\$ 33,400	\$ 110,045	\$ 102,238	\$ 41,207

Exhibit H-4

DENVILLE TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Elementary School:				
Riverview	\$ 193			\$ 193
Middle School:				
Valleyview	<u>33,207</u>	<u>\$ 110,045</u>	<u>\$ 102,238</u>	<u>41,014</u>
Total All Schools	<u>\$ 33,400</u>	<u>\$ 110,045</u>	<u>\$ 102,238</u>	<u>\$ 41,207</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS:				
Cash and Cash Equivalents	\$ 38,011	\$ 18,741,426	\$ 18,777,242	\$ 2,195
Total Assets	<u>\$ 38,011</u>	<u>\$ 18,741,426</u>	<u>\$ 18,777,242</u>	<u>\$ 2,195</u>
 LIABILITIES:				
Payroll Deductions and Withholdings		\$ 18,741,426	\$ 18,741,426	
Interfund Payable - General Fund	\$ 38,011		35,816	\$ 2,195
Total Liabilities	<u>\$ 38,011</u>	<u>\$ 18,741,426</u>	<u>\$ 18,777,242</u>	<u>\$ 2,195</u>

LONG-TERM DEBT

DENVILLE TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2014	Retired or Matured	Balance June 30, 2015
			Date	Amount				
School Refunding Bonds	4/29/2009	\$ 4,600,000	02/15/16	\$ 490,000	4.00%	<u>\$ 2,275,000</u>	<u>\$ 495,000</u>	<u>\$ 1,780,000</u>
			02/15/17	490,000	4.00%			
			02/15/18	485,000	4.00%			
			02/15/19	315,000	4.00%			
					<u>\$ 2,275,000</u>	<u>\$ 495,000</u>	<u>\$ 1,780,000</u>	

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

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2014</u>	<u>Issued</u>	<u>Retired or Matured</u>	<u>Balance June 30, 2015</u>
School Buses	2.75%	163,682	\$ 8,736		\$ 8,736	
School Buses	2.75%	219,886	54,040		46,214	\$ 7,826
Boiler	2.75%	1,026,206	234,457		216,173	18,284
Computer Equipment	2.75%	122,186	3,532		3,532	
School Bus	2.75%	127,049	38,538		32,957	5,581
Technology Equipment	2.75%	99,400	39,601		33,866	5,735
School Bus	2.75%	46,177	29,211		9,205	20,006
Laptop Charging Carts	1.85%	216,693	187,022		71,338	115,684
Technology Initiative	1.85%	141,348	110,702		46,860	63,842
Buses	1.85%	94,090	73,179		23,246	49,933
Technology Initiative	1.85%	207,093		\$ 207,093	62,288	144,805
			<u>\$ 779,018</u>	<u>\$ 207,093</u>	<u>\$ 554,415</u>	<u>\$ 431,696</u>

DENVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 429,737		\$ 429,737	\$ 429,737	
State Sources:					
Debt Service Aid Type II	156,263		156,263	156,263	
Total Revenues	<u>586,000</u>		<u>586,000</u>	<u>586,000</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	91,000		91,000	91,000	
Redemption of Principal	495,000		495,000	495,000	
Total Regular Debt Service	<u>586,000</u>		<u>586,000</u>	<u>586,000</u>	
Total Expenditures	<u>586,000</u>		<u>586,000</u>	<u>586,000</u>	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-0-	\$ -0-	-0-	-0-	\$ -0-
Fund Balance, July 1	<u>1</u>	<u>-0-</u>	<u>1</u>	<u>\$ 1</u>	<u>-0-</u>
Fund Balance, June 30	<u>\$ 1</u>	<u>\$ -0-</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -0-</u>
Recapitulation:					
Restricted for Subsequent Year's Expenditures				<u>\$ 1</u>	

STATISTICAL SECTION

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

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

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

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

J-14 thru J-15

Operating Information

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

J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The School implemented Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2006.

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

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015
Governmental Activities:										
Net Investment in Capital Assets	\$ 6,977,668	\$ 9,716,703	\$ 11,617,678	\$ 11,126,485	\$ 10,738,033	\$ 10,579,418	\$ 11,035,450	\$ 11,819,214	\$ 13,998,457	\$ 14,776,654
Restricted	50,286	2,982	5,221	320,733	280,436	51,565	1,178,959	2,159,654	1,783,615	2,712,774
Unrestricted/(Deficit)	(212,405)	(507,106)	(422,461)	(857,652)	(574,322)	(288,039)	(75,641)	(284,731)	(8,645,202)	(8,716,080)
Total Governmental Activities Net Position	\$ 6,815,549	\$ 9,212,579	\$ 11,200,438	\$ 10,589,566	\$ 10,444,147	\$ 10,342,944	\$ 12,138,768	\$ 13,694,137	\$ 7,136,870	\$ 8,773,348
Business-Type Activities										
Net Investment in Capital Assets	\$ 1,834	\$ 3,193	\$ 22,757	\$ 20,170	\$ 5,977	\$ 5,223	\$ 4,467	\$ 12,022	\$ 10,827	\$ 8,159
Unrestricted	16,342	15,118	10,020	37	1	4,463	2,791	6,356	7,961	6,125
Total Business-Type Activities Net Position	\$ 18,176	\$ 18,311	\$ 32,777	\$ 20,207	\$ 5,978	\$ 9,686	\$ 7,258	\$ 18,378	\$ 18,788	\$ 14,284
District-Wide:										
Net Investment in Capital Assets	\$ 6,979,502	\$ 9,719,896	\$ 11,640,435	\$ 11,146,655	\$ 10,744,010	\$ 10,584,641	\$ 11,039,917	\$ 11,831,236	\$ 14,009,284	\$ 14,784,813
Restricted	50,286	2,982	5,221	320,733	280,436	51,565	1,178,959	2,159,654	1,783,615	2,712,774
Unrestricted/(Deficit)	(196,063)	(491,988)	(412,441)	(857,615)	(574,321)	(283,576)	(72,850)	(278,375)	(8,637,241)	(8,709,955)
Total District Net Position	\$ 6,833,725	\$ 9,230,890	\$ 11,233,215	\$ 10,609,773	\$ 10,450,125	\$ 10,352,630	\$ 12,146,026	\$ 13,712,515	\$ 7,155,658	\$ 8,787,632

* Restated

Source: School District Financial Reports

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 9,735,824	\$ 11,166,567	\$ 11,395,183	\$ 12,772,668	\$ 11,753,144	\$ 11,416,249	\$ 11,123,913	\$ 11,913,180	\$ 12,213,187	\$ 14,515,136
Special Education	2,443,144	2,605,752	2,797,940	3,754,286	4,143,956	4,222,410	3,891,200	4,171,127	4,165,578	5,050,466
Other Special Instruction	390,746	506,413	467,113	491,776	415,583	436,124	1,156,852	198,698	518,460	609,585
Other Instruction	340,738	308,016	243,862	181,667	125,140	185,942	188,287	388,978	186,148	247,618
Support Services:										
Tuition	1,695,529	1,683,700	1,600,218	1,286,201	1,220,975	877,851	787,721	589,171	576,643	681,191
Student & Instruction Related Services	3,110,651	3,631,922	4,085,076	4,091,491	4,213,955	4,340,013	3,826,840	4,200,581	3,979,099	3,762,142
General Administrative Services	647,381	913,555	873,476	623,736	737,611	719,266	642,441	544,216	587,345	804,991
School Administrative Services	1,199,227	1,234,615	1,231,178	1,253,926	1,281,289	1,320,786	1,320,456	1,421,966	1,419,211	1,647,044
Central Services	22,219	3,783	11,153	354,797	388,864	389,230	398,879	414,829	377,014	430,332
Administrative Information Technology	177,057	198,507	224,671	272,451	252,404	471,177	284,025	245,035	284,024	401,695
Plant Operations And Maintenance	1,586,035	1,764,767	1,844,975	1,852,182	2,070,866	2,283,187	1,950,087	1,937,597	2,118,264	2,146,437
Pupil Transportation	1,854,675	1,734,203	1,930,699	2,336,162	2,644,256	2,315,131	2,089,554	2,121,798	2,194,261	2,299,967
Business and Other Support Services	60,979	882	13,887							
Allocated Benefits		274,020								
Capital Outlay	149,876	(1,309,648)						1,014,870	125,361	458,195
Transfer to Charter School	53,831	57,340	60,122	41,710	64,283	110,403	130,412	104,099	104,689	146,064
Interest On Long-Term Debt	288,312	266,588	234,688	184,885	154,133	149,931	136,042	120,566	91,935	73,026
Total Governmental Activities Expenses	23,756,224	25,040,982	27,014,241	29,497,938	29,466,459	29,237,700	27,926,709	29,386,711	28,941,219	33,273,889

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Business-type activities:										
Food Service	\$ 31,170	\$ 33,131	\$ 44,699	\$ 54,647	\$ 36,733	\$ 36,539	\$ 51,604	\$ 33,280	\$ 30,936	\$ 44,233
Total Business-Type Activities Expense	31,170	33,131	44,699	54,647	36,733	36,539	51,604	33,280	30,936	44,233
Total District Expenses	<u>23,787,394</u>	<u>25,074,113</u>	<u>27,058,940</u>	<u>29,552,585</u>	<u>29,503,192</u>	<u>29,274,239</u>	<u>27,978,313</u>	<u>29,419,991</u>	<u>28,972,155</u>	<u>33,318,122</u>
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Regular Instruction	103,933	108,649	86,575	21,923		48,781	66,747	120,205	123,486	2,843,244
Operating Grants and Contributions	3,762,960	4,445,172	4,666,790	3,898,363	4,123,752	3,451,081	3,610,827	4,289,464	4,065,218	4,315,599
Capital Grants and Contributions	163,722				103,508					700,930
Total Governmental Activities Program Revenues	<u>4,030,615</u>	<u>4,553,821</u>	<u>4,753,365</u>	<u>3,920,286</u>	<u>4,227,260</u>	<u>3,499,862</u>	<u>3,677,574</u>	<u>4,409,669</u>	<u>4,188,704</u>	<u>7,859,773</u>
Business-Type Activities:										
Charges For Services:										
Food Service	12,827	11,020	11,493	12,286	11,883	16,881	22,026	14,526	13,648	22,219
Operating Grants and Contributions	20,912	20,100	25,393	29,791	23,109	23,366	27,150	20,889	17,882	19,260
Total Business Type Activities Program Revenues	<u>33,739</u>	<u>31,120</u>	<u>36,886</u>	<u>42,077</u>	<u>34,992</u>	<u>40,247</u>	<u>49,176</u>	<u>35,415</u>	<u>31,530</u>	<u>41,479</u>
Total District Program Revenues	<u>4,064,354</u>	<u>4,584,941</u>	<u>4,790,251</u>	<u>3,962,363</u>	<u>4,262,252</u>	<u>3,540,109</u>	<u>3,726,750</u>	<u>4,445,084</u>	<u>4,220,234</u>	<u>7,901,252</u>

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue Governmental Activities	\$(19,725,609)	\$(20,487,161)	\$(22,260,876)	\$(25,577,652)	\$(25,239,199)	\$(25,737,838)	\$(24,249,135)	\$(24,977,042)	\$(24,752,515)	\$(25,414,116)
Business-Type Activities	2,569	(2,011)	(7,813)	(12,570)	(1,741)	3,708	(2,428)	2,135	594	(2,754)
Total District-Wide Net Expense	(19,723,040)	(20,489,172)	(22,268,689)	(25,590,222)	(25,240,940)	(25,734,130)	(24,251,563)	(24,974,907)	(24,751,921)	(25,416,870)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	19,334,400	21,516,202	23,336,840	24,259,598	24,243,496	24,916,117	25,337,084	25,843,825	26,231,482	26,318,000
Taxes Levied for Debt Service	960,495	968,186	491,390	419,798	421,613	426,546	398,616	440,737	439,545	429,737
Federal and State Aid not Restricted	337,542	334,134	343,152	255,355	341,953	165,463	159,825	160,263	159,830	189,903
Interest and Miscellaneous Income	81,934	65,669	77,353	32,029	86,718	128,509	149,434	155,681	197,818	112,954
Total Governmental Activities	20,714,371	22,884,191	24,248,735	24,966,780	25,093,780	25,636,635	26,044,959	26,600,506	27,028,675	27,050,594
Business-Type Activities:										
Interest and Miscellaneous Income	121	175	49		1,119					
Capital Contributions/(Disposals)		1,971	22,230		(13,607)			8,985	(184)	(1,750)
Total Business-Type Activities	121	2,146	22,279		(12,488)			8,985	(184)	(1,750)
Total District-Wide	20,714,492	22,886,337	24,271,014	24,966,780	25,081,292	25,636,635	26,044,959	26,609,491	27,028,491	27,048,844
Change in Net Position:										
Governmental Activities	988,762	2,397,030	1,987,859	(610,872)	(145,419)	(101,203)	1,795,824	1,623,464	2,276,160	1,636,478
Business-Type Activities	2,690	135	14,466	(12,570)	(14,229)	3,708	(2,428)	11,120	410	(4,504)
Total District	\$ 991,452	\$ 2,397,165	\$ 2,002,325	\$ (623,442)	\$ (159,648)	\$ (97,495)	\$ 1,793,396	\$ 1,634,584	\$ 2,276,570	\$ 1,631,974

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

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	\$ 50,210	\$ 2,969	\$ 5,208	\$ 320,733	\$ 221,210					
Unreserved	540,300	249,345	356,708	26,631	371,790					
Restricted						\$ 13,266	\$ 1,178,958	\$ 2,159,653	\$ 1,783,614	\$ 2,712,773
Assigned						74,638	296,647	163,657	220,854	138,419
Unassigned						594,352	511,400	537,310	574,502	539,737
Total General Fund	<u>\$ 590,510</u>	<u>\$ 252,314</u>	<u>\$ 361,916</u>	<u>\$ 347,364</u>	<u>\$ 593,000</u>	<u>\$ 682,256</u>	<u>\$ 1,987,005</u>	<u>\$ 2,860,620</u>	<u>\$ 2,578,970</u>	<u>\$ 3,390,929</u>
All Other Governmental Funds:										
Unreserved, Reported In:										
Debt Service Fund	\$ 76	\$ 13	\$ 13		\$ 59,226					
Committed									\$ 187,225	
Restricted						\$ 38,299	\$ 1	\$ 1	1	\$ 1
Total All Other Governmental Funds	<u>\$ 76</u>	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ -0-</u>	<u>\$ 59,226</u>	<u>\$ 38,299</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 187,226</u>	<u>\$ 1</u>
Total Governmental Funds:										
Reserved	\$ 50,210	\$ 2,969	\$ 5,208	\$ 320,733	\$ 221,210					
Unreserved	540,376	249,358	356,721	26,631	431,016					
Restricted						\$ 51,565	\$ 1,178,959	\$ 2,159,654	\$ 1,783,615	\$ 2,712,774
Committed									187,225	
Assigned						74,638	296,647	163,657	220,854	138,419
Unassigned						594,352	511,400	537,310	574,502	539,737
Total Governmental Funds	<u>\$ 590,586</u>	<u>\$ 252,327</u>	<u>\$ 361,929</u>	<u>\$ 347,364</u>	<u>\$ 652,226</u>	<u>\$ 720,555</u>	<u>\$ 1,987,006</u>	<u>\$ 2,860,621</u>	<u>\$ 2,766,196</u>	<u>\$ 3,390,930</u>

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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Tax Levy	\$20,294,895	\$22,484,388	\$23,828,230	\$24,679,396	\$24,665,109	\$25,342,663	\$25,735,700	\$26,284,562	\$26,671,027	\$26,747,737
Tuition	103,933	108,649	86,575	21,923		48,781	49,013	117,955	123,486	237,466
Transportation Fees						80	17,734	2,250		
Miscellaneous	83,983	67,366	78,708	32,029	87,837	133,258	149,434	161,547	203,259	122,289
State Sources	3,761,200	4,269,467	4,524,258	3,725,589	4,021,253	2,792,605	3,259,369	4,049,527	3,674,049	4,727,427
Federal Sources	500,975	508,143	484,329	428,129	547,960	819,110	511,283	394,334	545,558	469,670
Total Revenue	24,744,986	27,438,013	29,002,100	28,887,066	29,322,159	29,136,497	29,722,533	31,010,175	31,217,379	32,304,589
Expenditures:										
Instruction:										
Regular Instruction	6,798,241	7,522,755	7,803,970	8,117,462	8,480,795	8,323,406	8,124,921	8,220,513	8,840,406	9,048,089
Special Education Instruction	1,855,261	1,930,611	1,917,637	2,783,211	3,038,603	3,210,463	2,910,404	2,941,575	2,984,792	3,085,968
Other Special Instruction	279,553	351,328	324,285	350,005	292,089	310,394	322,102	256,839	351,077	348,693
Other Instruction	106,114	113,007	171,562	130,673	95,987	135,887	133,312	133,641	129,541	153,128
Support Services:										
Tuition	1,695,529	1,683,700	1,600,218	1,286,201	1,220,975	877,851	787,721	589,171	576,643	681,191
Student & Instruction Related Services	2,391,820	2,638,762	3,003,374	3,200,759	3,143,015	2,999,437	2,897,008	3,149,632	3,050,538	3,128,537
General Administrative Services	370,600	404,754	435,111	467,189	440,404	450,366	444,795	380,993	420,241	611,344
School Administrative Services	875,731	873,782	865,336	869,784	931,968	922,709	941,330	961,379	987,302	1,028,167
Central Services	22,219	3,783	11,153	265,675	297,656	282,871	316,192	311,414	290,978	286,382
Administrative Information Technology	155,259	158,434	177,728	230,432	211,105	261,463	243,317	195,471	262,479	281,249
Plant Operations And Maintenance	1,318,120	1,474,529	1,531,256	1,638,086	1,629,247	1,645,934	1,576,614	1,576,355	1,943,730	1,912,041
Pupil Transportation	1,641,668	1,743,943	2,044,295	1,514,752	1,506,259	1,629,864	1,591,654	1,628,362	1,703,483	1,605,048
Business and Other Support Services	265,040	274,676	276,996							
Allocated Benefits		274,020		350,793	97,052	133,753				
Unallocated Benefits	5,100,156	5,793,587	6,070,151	5,587,819	6,030,002	6,369,015	6,835,880	7,317,034	7,069,087	7,626,778
Debt Service:										
Principal	835,000	880,000	441,000	390,000	460,000	445,000	455,000	475,000	490,000	495,000
Interest And Other Charges	315,449	279,291	241,182	221,699	133,417	154,138	140,787	126,000	109,375	91,000
Capital Outlay	2,028,722	1,317,970	1,917,122	1,455,381	1,152,529	2,315,661	853,868	1,914,659	2,449,574	1,358,269
Transfer to Charter Schools	53,831	57,340	60,122	41,710	64,283	110,403	130,412	104,099	104,689	146,064
Total Expenditures	26,108,313	27,776,272	28,892,498	28,901,631	29,225,386	30,578,615	28,705,317	30,282,137	31,763,935	31,886,948

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess/(Deficiency) Of Revenues Over/(Under) Expenditures	\$ (1,363,327)	\$ (338,259)	\$ 109,602	\$ (14,565)	\$ 96,773	\$ (1,442,118)	\$ 1,017,216	\$ 728,038	\$ (546,556)	\$ 417,641
Other Financing Sources/(Uses):										
Capital Leases (Non-Budgeted)	1,054,817				209,208	1,510,447	249,235	145,577	452,131	207,093
Transfers In	175,169			13	126,492				1,492,170	(434,182)
Transfers Out	(175,169)			(13)	(127,611)				(1,492,170)	434,182
Total Other Financing Sources/(Uses)	1,054,817				208,089	1,510,447	249,235	145,577	452,131	207,093
Net Change In Fund Balances	<u>\$ (308,510)</u>	<u>\$ (338,259)</u>	<u>\$ 109,602</u>	<u>\$ (14,565)</u>	<u>\$ 304,862</u>	<u>\$ 68,329</u>	<u>\$ 1,266,451</u>	<u>\$ 873,615</u>	<u>\$ (94,425)</u>	<u>\$ 624,734</u>
Debt Service As A Percentage Of Noncapital Expenditures	4.78%	4.38%	2.53%	2.23%	2.11%	2.12%	2.14%	2.12%	2.04%	1.92%

Source: School District Financial Reports

Exhibit J-5

DENVILLE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Prior Year Refunds</u>	<u>Other</u>	<u>Total</u>
2006	\$ 47,554	\$ 103,933	\$ 26,770	\$ 7,598	\$ 185,855
2007	57,531	108,649		8,138	174,318
2008	43,934	86,575	745	32,674	163,928
2009	14,386	21,923	4,257	13,386	53,952
2010	1,574			72,429	74,003
2011	4,608	48,781	12,319	111,662	177,370
2012	4,292	66,747	63,733	81,409	216,181
2013	8,913	120,205	21,559	125,209	275,886
2014	8,036	123,486	133,135	56,647	321,304
2015	6,034	237,466	75,239	31,681	350,420

Source: Denville Township School District records

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

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2005	\$63,044,100	\$ 1,692,079,500	\$ 6,156,100	\$ 138,200	\$ 298,571,500	\$ 73,457,400	\$ 8,173,600	\$ 2,141,620,400	\$ 199,915,900	\$ 5,339,141	\$ 2,146,959,541	\$ 0.92	\$ 2,594,625,908
2006	54,971,100	1,767,342,500	6,187,800	138,200	300,914,600	72,707,400	8,173,600	2,210,435,200	199,718,900	4,607,705	2,215,042,905	0.97	2,990,178,143
2007	51,305,900	1,819,429,300	4,842,400	86,900	299,050,900	70,322,400	8,173,600	2,253,211,400	199,178,400	4,840,446	2,258,051,846	1.03	3,208,196,204
2008	48,382,100	1,842,271,000	4,842,400	86,900	295,343,300	70,122,400	7,729,600	2,268,777,700	206,799,900	4,679,377	2,273,457,077	1.07	3,531,309,532
2009	45,790,100	1,857,498,100	4,554,400	82,600	297,466,700	70,122,400	7,729,600	2,283,243,900	207,717,200	5,460,388	2,288,704,288	1.08	3,565,499,240
2010	45,416,600	1,862,250,600	4,353,300	77,900	295,238,400	70,122,400	7,729,600	2,285,188,800	208,621,000	5,230,954	2,290,419,754	1.09	3,414,567,910
2011	43,509,600	1,858,092,500	4,331,100	78,700	297,471,200	69,428,400	7,579,600	2,280,491,100	209,403,400	-0-	2,280,491,100	1.12	3,397,561,201
2012	41,831,900	1,854,794,500	4,331,100	78,700	297,753,400	69,244,600	7,579,600	2,275,613,800	209,736,700	-0-	2,275,613,800	1.14	3,355,655,826
2013	38,102,700	1,839,357,500	4,302,100	77,200	298,019,500	65,894,200	7,579,600	2,253,332,800	209,606,600	-0-	2,253,332,800	1.18	3,228,291,771
2014	37,165,900	1,836,196,200	4,028,900	81,200	269,428,500	66,056,700	7,579,600	2,220,537,000	213,597,600	-0-	2,220,537,000	1.20	3,126,969,683

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

Source: Municipal Tax Assessor

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

Year Ended December 31,	Denville Township School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate		Total Direct	Township of Denville	Morris County	Morris Hills Regional School	
	Basic Rate ^a	General Obligation Debt Service ^b					
2005	\$ 0.87	\$ 0.05	\$ 0.92	\$ 0.40	\$ 0.32	\$ 0.60	\$ 2.24
2006	0.93	0.04	0.97	0.41	0.27	0.58	2.23
2007	1.01	0.02	1.03	0.46	0.35	0.61	2.45
2008	1.05	0.02	1.07	0.50	0.36	0.66	2.59
2009	1.06	0.02	1.08	0.53	0.35	0.68	2.64
2010	1.07	0.02	1.09	0.55	0.34	0.70	2.68
2011	1.10	0.02	1.12	0.55	0.35	0.75	2.77
2012	1.12	0.02	1.14	0.57	0.36	0.81	2.88
2013	1.16	0.02	1.18	0.58	0.36	0.85	2.97
2014	1.18	0.02	1.20	0.62	0.36	0.88	3.06

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

2015			2006		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Shops at Union Hill	\$ 21,966,000	0.96%	St. Francis Life Care Corporation	\$ 47,650,000	2.16%
St. Francis Life Care Corp	20,000,000	0.87%	Shoppes at Union Hill, LLC	21,100,000	0.95%
Tamara Enterprises	12,112,200	0.53%	Tamara Enterprises	14,725,000	0.67%
Rockaway River Country Club	8,767,600	0.38%	Individual Taxpayer #1	8,900,000	0.40%
Individual Taxpayer #1	6,737,000	0.29%	Rockaway River Country Club	8,448,600	0.38%
Denville Station, LLC	5,108,000	0.22%	Roma Hotels Associates, LLC	7,667,600	0.35%
Individual Taxpayer #2	4,924,000	0.21%	WP Properties, LLC	5,700,000	0.26%
Denville West Main, LLC	4,900,000	0.21%	Denville 53, LLC	5,351,000	0.24%
Grecco Realty LLC	4,844,100	0.21%	WP Properties, LLC	5,200,000	0.24%
WP Properties, LLC	4,790,000	0.21%	Morris 400, LLC	5,000,000	0.23%
Total	\$ 94,148,900	4.11%	Total	\$ 129,742,200	5.88%

Note: Individual taxpayers listed may be different in 2015 and 2006.

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 20,294,895	\$ 20,294,895	100.00%	-0-
2007	22,484,388	22,484,388	100.00%	-0-
2008	23,828,230	23,828,230	100.00%	-0-
2009	24,679,396	24,679,396	100.00%	-0-
2010	24,665,109	24,665,109	100.00%	-0-
2011	25,342,663	25,342,663	100.00%	-0-
2012	25,735,700	25,735,700	100.00%	-0-
2013	26,284,562	26,284,562	100.00%	-0-
2014	26,671,027	26,671,027	100.00%	-0-
2015	26,747,737	26,747,737	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

(dollars in thousands, except per capita)

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2006	\$ 6,303,000	\$ 1,063,915	\$ 7,366,915	0.68%	\$ 454
2007	5,423,000	637,391	6,060,391	0.54%	374
2008	4,982,000	305,063	5,287,063	0.45%	325
2009	4,600,000	122,983	4,722,983	0.43%	290
2010	4,140,000	890,929	5,030,929	0.44%	301
2011	3,695,000	1,443,889	5,138,889	0.43%	306
2012	3,240,000	1,158,274	4,398,274	0.35%	261
2013	2,765,000	821,106	3,586,106	0.28%	212
2014	2,275,000	779,018	3,054,018	0.24%	181
2015	1,780,000	431,696	2,211,696	0.18%	131

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
(dollars in thousands, except per capita)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 6,303,000	-0-	\$ 6,303,000	0.29%	\$ 389
2007	5,423,000	-0-	5,423,000	0.24%	335
2008	4,982,000	-0-	4,982,000	0.22%	306
2009	4,600,000	-0-	4,600,000	0.20%	282
2010	4,140,000	-0-	4,140,000	0.18%	248
2011	3,695,000	-0-	3,695,000	0.16%	220
2012	3,240,000	-0-	3,240,000	0.14%	192
2013	2,765,000	-0-	2,765,000	0.12%	164
2014	2,275,000	-0-	2,275,000	0.10%	135
2015	1,780,000	-0-	1,780,000	0.08%	106

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

Exhibit J-12

DENVILLE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
UNAUDITED

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable ^a</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt Repaid With Property Taxes			
Township of Denville	\$ 10,210,754	100.00%	\$ 10,210,754
Morris County General Obligation Debt	235,116,781	3.96%	9,299,659
Morris Hills Regional School District Debt	28,230,000	37.30%	<u>10,529,790</u>
Subtotal, Overlapping Debt			30,040,204
Denville School District Direct Debt			<u>2,275,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 32,315,204</u></u>

Note:

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2015

	Denville Township
Equalized Valuation Basis	
2014	\$ 3,235,990,965
2013	3,162,128,543
2012	3,248,556,460
	\$ 9,646,675,968
Average Equalized Valuation of Taxable Property	\$ 3,215,558,656
Debt Limit (3% of average equalization value)	\$ 96,466,760
Net Bonded School Debt as of June 30, 2015	1,780,000
Legal Debt Margin	\$ 94,686,760

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 76,766,738	\$ 86,750,047	\$ 96,245,886	\$ 102,677,845	\$ 103,997,335	\$ 103,091,788	\$ 101,358,445	\$ 99,912,610	\$ 97,613,919	\$ 96,466,760
Total Net Debt Applicable to Limit	6,303,000	5,423,000	4,982,000	4,600,000	4,140,000	3,695,000	3,240,000	2,765,000	2,275,000	1,780,000
Legal Debt Margin	\$ 70,463,738	\$ 81,327,047	\$ 91,263,886	\$ 98,077,845	\$ 99,857,335	\$ 99,396,788	\$ 98,118,445	\$ 97,147,610	\$ 95,338,919	\$ 94,686,760
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	8.21%	6.25%	5.18%	4.48%	3.98%	3.58%	3.20%	2.77%	2.33%	1.85%

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

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

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

Year	Population ^a	Personal Income ^b	Morris County Per Capita Personal Income ^c	Unemployment Rate ^d
2006	16,211	\$ 1,082,294,993	\$ 66,763	3.00%
2007	16,212	1,132,294,716	69,843	2.70%
2008	16,259	1,169,623,683	71,937	3.60%
2009	16,309	1,104,086,682	67,698	6.30%
2010	16,691	1,145,937,296	68,656	6.30%
2011	16,784	1,207,004,576	71,914	6.10%
2012	16,859	1,261,491,534	74,826	6.40%
2013	16,889	1,267,587,006	75,054	7.40%
2014	16,829	1,263,083,766	75,054 *	4.90%
2015	16,829 **	1,263,083,766 ***	75,054 *	N/A

* - Latest Morris County per capita personal income available (2013) was used for calculation purposes.

** - Latest population data available (2014) was used for calculation purposes.

*** - Latest personal income data available (2014) was used for calculation purposes.

N/A - Information Unavailable

Source: School District Reports

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

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

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

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

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

<u>2015</u>			<u>2006</u>		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
U.S. Army Aramament R&D	6,090	2.37%	Atlantic Health System	5,900	N/A
Atlantic Health System	4,844	1.88%	Novartis	5,000	N/A
Novartis	4,749	1.85%	Picatinny Arsenal	3,412	N/A
Bayer Healthcare, LLC	2,665	1.04%	Lucent Technologies	2,300	N/A
St. Clare's Health Services	1,756	0.68%	St. Clare's Health Services	2,250	N/A
County of Morris	1,667	0.65%	County of Morris	2,228	N/A
Accenture	1,621	0.63%	United Parcel Service	2,131	N/A
Wyndham Worldwide Corporation	1,546	0.60%	ADP	1,986	N/A
BASF Corporation	1,500	0.58%	AT&T	1,500	N/A
Greystone Psychiatric	1,244	0.48%	Greystone Psychiatric	1,300	N/A
Total	<u>27,682</u>	<u>10.77%</u>		<u>28,007</u>	
Total County Labor Force	<u>267,632</u>			<u>N/A</u>	

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

Source: Morris County Treasurer's Office

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:										
Regular	123.0	126.8	125.0	126.5	126.5	128.0	125.6	123.4	111.8	118.0
Special Education	56.0	45.1	50.0	63.0	63.0	65.0	67.4	68.2	100.1	99.6
Support Services:										
Student & Instruction Related Services	27.2	37.0	40.5	36.0	36.0	36.0	44.2	26.7	23.7	23.0
School Administrative Services	11.5	20.0	18.0	18.5	18.5	18.5	14.8	15.9	15.1	8.0
General and Business Administrative Services	6.0	6.0	6.0	6.0	6.0	6.0	8.0	6.0	6.0	5.5
Plant Operations and Maintenance	14.5	13.5	15.0	15.0	15.0	15.0	26.4	22.6	20.0	20.0
Pupil Transportation	21.0	21.0	21.0	25.0	25.0	25.0	24.3	27.5	20.0	20.0
Total	<u>259.2</u>	<u>269.4</u>	<u>275.5</u>	<u>290.0</u>	<u>290.0</u>	<u>293.5</u>	<u>310.7</u>	<u>290.3</u>	<u>296.7</u>	<u>294.1</u>

Source: District Personnel Records

DENVILLE TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle				
2006	1,894	\$ 22,929,142	\$ 12,106	12.44%	206	1:14.5	1:12.5	1,894	1,822	-2.42%	96.20%
2007	1,864	25,299,011	13,572	12.11%	208	1:14.5	1:12.6	1,864	1,790	-1.58%	96.03%
2008	1,895	26,293,194	13,875	2.23%	215	1:14.6	1:12.9	1,986	1,822	6.55%	91.74%
2009	1,892	26,834,551	14,183	2.22%	226	1:14.2	1:13.5	1,892	1,814	-4.73%	95.88%
2010	1,904	27,479,440	14,432	1.76%	225	1:13.3	1:13.6	1,904	1,832	0.64%	96.19%
2011	1,856	27,663,816	14,905	3.27%	216	1:13.3	1:13.6	1,856	1,832	-2.53%	98.69%
2012	1,827	27,255,662	14,918	0.09%	179	1:11.1	1:11.9	1,792	1,733	-3.45%	96.71%
2013	1,750	27,766,478	15,867	6.36%	176	1:11.8	1:7.9	1,758	1,693	-1.90%	96.30%
2014	1,730	28,714,986	16,598	4.61%	177	1:9.4	1:10.5	1,725	1,666	-1.88%	96.58%
2015	1,687	29,942,679	17,749	6.93%	175	1:9.5	1:10.0	1,680	1,621	-2.61%	96.49%

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>District Building</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	808	733	781	752	690	728	713	695	677	682
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	503	479	541	488	459	459	400	393	402	388
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	617	651	664	653	673	669	680	662	651	617
Administration Building (1908)										
Square Feet	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900
Bus Garage (1964)										
Square Feet	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820
Number of Schools at June 30, 2015										
Elementary = 2										
Middle School = 1										
Other = 2										

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

Source: Denville Township School District Facilities Office

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

Undistributed Expenditures - Required Maintenance For School Facilities

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>School Facilities*</u>										
Lakeview Elementary	\$ 43,038	\$ 107,446	\$ 104,504	\$ 111,774	\$ 101,813	\$ 140,145	\$ 124,854	\$ 112,063	\$ 164,811	\$ 168,096
Riverview Elementary	103,178	92,670	60,490	98,160	125,922	75,601	68,259	73,159	107,591	109,736
Valleyview Middle	82,145	111,773	97,063	124,403	131,012	114,193	94,879	107,194	157,658	160,801
Total School Facilities	<u>228,361</u>	<u>311,889</u>	<u>262,057</u>	<u>334,337</u>	<u>358,747</u>	<u>329,939</u>	<u>287,992</u>	<u>292,416</u>	<u>430,060</u>	<u>438,633</u>
<u>Other Facilities</u>										
Administration Building	7,391	1,961	1,799	2,135	1,959	1,545	2,469	1,662	2,442	2,491
Bus Garage	9,901	2,912	2,671	3,168	2,908	2,293	2,840	2,467	3,620	3,692
Total Other Facilities	<u>17,292</u>	<u>4,873</u>	<u>4,470</u>	<u>5,303</u>	<u>4,867</u>	<u>3,838</u>	<u>5,309</u>	<u>4,129</u>	<u>6,062</u>	<u>6,183</u>
Grand Total	<u>\$ 245,653</u>	<u>\$ 316,762</u>	<u>\$ 266,527</u>	<u>\$ 339,640</u>	<u>\$ 363,614</u>	<u>\$ 333,777</u>	<u>\$ 293,301</u>	<u>\$ 296,545</u>	<u>\$ 436,122</u>	<u>\$ 444,816</u>

* 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, 2015
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Zurich Insurance Company		
Property - Blanket Building and Contents	\$ 45,921,192	\$ 5,000
Commercial General Liability:		
Per Occurrence	1,000,000	
Aggregate	2,000,000	
Abuse or Molestation Liability:		
Per Occurrence	1,000,000	
Aggregate	1,000,000	
Commercial Automotive Liability	1,000,000	1,000*
Commercial Inland Marine	1,361,712	
Commercial Umbrella Liability:		
Per Occurrence	9,000,000	
Aggregate	9,000,000	
Excess Liability-Fireman's Fund	50,000,000	PIP Cap Excess
Employee Benefits Liability:		
Per Occurrence	1,000,000	1,000
Aggregate	1,000,000	
NJ School Insurance Group	Statutory	
Workers Compensation		
Employer's Liability	2,000,000 / 2,000,000 / 2,000,000	
School Board Legal Liability - Darwin Ins. Co.		
Per Occurrence	1,000,000	
Aggregate	1,000,000	25,000
Public Official Bonds - Selective Insurance Company:		
Treasurer of School Monies	350,000	
Board Secretary/Business Administrator	350,000	
Blanket Employee Bond	10,000	
Cyber Liability Indian Harbo Ins. Co.	2,000,000	25,000 retention
Education Entity- Pollution Liability	1,000,000/3,000,000/10,000,000	25,000 pollution condition 50,000 per fungi or Legionella condition

* comprehensive and collision deductibles on auto coverage

SINGLE AUDIT SECTION



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

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 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 "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Denville Township School District, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2015, 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 13, 2015.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

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

Compliance and Other Matters

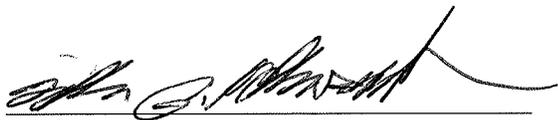
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 13, 2015

NISIVOCIA LLP



William F. Schroeder
Licensed Public School Accountant #2112
Certified Public Accountant



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Report on Compliance For Each Major Federal and State Program;
 Report on Internal Control Over Compliance Required by OMB Circular A-133
 and New Jersey's OMB Circulars 04-04 and 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

We have audited the Board of Education of the Denville Township School District's (the "District's") compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2015. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circulars A-133 and NJOMB 04-04 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results that the testing based on the requirements of OMB Circulars A-133 or NJOMB 04-04 and 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
November 13, 2015

NISIVOCCIA LLP



William F. Schroeder
Licensed Public School Accountant #2112
Certified Public Accountant

DENVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2014		Cash Received	Budgetary Expenditures	Adjustment	Balance at June 30, 2015	
			From	To		(Accounts Receivable) /Unearned Revenue					(Accounts Receivable)	Unearned Revenue
U.S. Department of Agriculture -												
Passed-through State Department of Education:												
Child Nutrition Cluster:												
Special Milk Program	10.556	N/A	7/1/13	6/30/14	\$ 17,882	\$ (1,318)	\$ 1,318				\$ (1,511)	
Special Milk Program	10.556	N/A	7/1/14	6/30/15	19,260		17,749	\$ (19,260)				
Total Enterprise Fund						(1,318)	19,067	(19,260)			(1,511)	
Total U.S. Department of Agriculture						(1,318)	19,067	(19,260)			(1,511)	
Special Revenue Fund:												
No Child Left Behind:												
Title I	84.010A	NCLB-1090-14	7/1/13	6/30/14	39,584	(16,180)	16,180					
Title I	84.010A	NCLB-1090-15	7/1/14	6/30/15	60,231		57,910	(58,855)			(945)	
Title IIA	84.367A	NCLB-1090-14	7/1/13	6/30/14	56,976	(37,896)	37,896					
Title IIA	84.367A	NCLB-1090-15	7/1/14	6/30/15	39,032		17,193	(35,301)			(18,108)	
Title III	84.365A	NCLB-1090-14	7/1/13	6/30/14	8,757	3,939		(3,889)				\$ 50
Title III	84.365A	NCLB-1090-15	7/1/14	6/30/15	10,489		1,680	(4,823)			(3,143)	
No Child Left Behind Subtotal						(50,137)	130,859	(102,868)			(22,196)	50
Special Education Cluster:												
I.D.E.A. Part B, Basic Regular	84.027	IDEA-1090-14	7/1/13	6/30/14	458,813	(447,778)	447,778					
I.D.E.A. Part B, Basic Regular	84.027	IDEA-1090-15	7/1/14	6/30/15	392,528		362,277	(362,970)			(693)	
I.D.E.A. Part B, Preschool	84.173	IDEA-1090-14	7/1/13	6/30/14	43,704	(30,991)	43,704		\$ (12,713)			
I.D.E.A. Part B, Preschool	84.173	IDEA-1090-15	7/1/14	6/30/15	21,189		21,189	(21,189)				
Special Education Cluster Total						(478,769)	874,948	(384,159)	(12,713)		(693)	
Total Special Revenue Fund						(528,906)	1,005,807	(487,027)	(12,713)		(22,889)	50
Total U.S. Department of Education						(528,906)	1,005,807	(487,027)	(12,713)		(22,889)	50
TOTAL FEDERAL AWARDS						\$ (530,224)	\$ 1,024,874	\$ (506,287)	\$ (12,713)	\$ (24,400)	\$ 50	

N/A - Not Available/Applicable.

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, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at July 1, 2014			Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance at	Balance at	MEMO		
		From	To		Budgetary (Accounts Receivable)	Due to Grantor	Cash Received				June 30, 2015	June 30, 2015	Budgetary (Accounts Receivable)	Cumulative Total	
State Department of Education:															
General Fund:															
Special Education Categorical Aid	14-495-034-5120-089	7/1/13	6/30/14	\$1,026,841	\$ (99,172)		\$ 99,172							\$ 1,026,841	
Categorical Security Aid	14-495-034-5120-084	7/1/13	6/30/14	25,734	(2,485)		2,485							25,734	
Categorical Transportation Aid	14-495-034-5120-014	7/1/13	6/30/14	108,847	(10,512)		10,512							771,140	
Extraordinary Special Education Costs Aid	14-495-034-5120-044	7/1/13	6/30/14	203,451	(201,349)		203,451	\$ (2,102)						203,451	
Additional Non-Public Transportation Aid	14-495-034-5120-014	7/1/13	6/30/14	16,226	(16,226)		16,226							16,226	
Rembursed TPAF Social Security Contributions	14-100-034-5095-002	7/1/13	6/30/14	808,953	(40,455)		40,455							808,953	
Special Education Categorical Aid	15-495-034-5120-089	7/1/14	6/30/15	1,026,841			927,656	(1,026,841)					\$ (99,185)	1,026,841	
Extraordinary Special Education Costs Aid	15-495-034-5120-044	7/1/14	6/30/15	176,914				(176,914)			\$ (176,914)		(176,914)	176,914	
Additional Non-Public Transportation Aid	15-495-034-5120-014	7/1/14	6/30/15	17,574				(17,574)			(17,574)		(17,574)	17,574	
Categorical Security Aid	15-495-034-5120-084	7/1/14	6/30/15	25,734			23,248	(25,734)					(2,486)	25,734	
Categorical Transportation Aid	15-495-034-5120-014	7/1/14	6/30/15	108,847			98,333	(108,847)					(10,514)	108,847	
PARCC Readiness	15-495-034-5120-098	7/1/14	6/30/15	16,820			15,196	(16,820)					(1,625)	16,820	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14	6/30/15	16,820			15,196	(16,820)					(1,625)	16,820	
Rembursed TPAF Social Security Contributions	15-100-034-5095-002	7/1/14	6/30/15	803,092			724,165	(803,092)			(78,927)		(78,927)	803,092	
Total General Fund State Aid								(370,199)					(273,415)	(388,849)	5,044,987
Special Revenue Fund:															
NJ Nonpublic Aid:															
Textbook Aid (Chapter 194)	15-100-034-5120-064	7/1/14	6/30/15	13,644			13,644	(13,644)						13,644	
Nursing Services (Chapter 226)	15-100-034-5120-070	7/1/14	6/30/15	21,721			21,721	(21,721)						21,721	
Technology Initiative	15-100-034-5120-373	7/1/14	6/30/15	7,328			7,328	(7,328)						7,328	
Auxiliary Services (Chapter 192):															
Compensatory Education	14-100-034-5120-067	7/1/13	6/30/14	33,383		\$21,998			\$ (21,998)					11,385	
Compensatory Education	15-100-034-5120-067	7/1/14	6/30/15	19,708			19,708	(16,204)				\$ 3,504		16,204	
Handicapped Services (Chapter 193):															
Supplementary Instruction	14-100-034-5120-066	7/1/13	6/30/14	15,264		3,745			(3,745)					11,519	
Supplementary Instruction	15-100-034-5120-066	7/1/14	6/30/15	14,125			14,125	(10,123)				4,002		10,123	
Examination and Classification	14-100-034-5120-066	7/1/13	6/30/14	21,973		3,661			(3,661)					18,312	
Examination and Classification	15-100-034-5120-066	7/1/14	6/30/15	18,014			18,014	(15,126)				2,888		15,126	
Corrective Speech	14-100-034-5120-066	7/1/13	6/30/14	14,062		5,937			(5,937)					8,125	
Corrective Speech	15-100-034-5120-066	7/1/14	6/30/15	11,486			11,486	(6,625)				4,861		6,625	
Total Special Revenue Fund							35,341	106,026	(90,771)				(35,341)	15,255	140,112

DENVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at July 1, 2014			Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance at	Balance at	MEMO	
		From	To		GAAP (Accounts Receivable)	June 30, 2015	Due to Grantor				Budgetary (Accounts Receivable)	Cumulative Total		
State Department of Education:														
Capital Projects Fund:														
N.J. School Development Authority Grants:														
Lakeview HVAC Upgrades	SDA-1090-050-14-2001	4/17/14	9/1/14	\$ 127,520	\$ (18,564)		\$ 89,650	\$ (71,086)						\$ 89,650
Riverview HVAC Upgrades	SDA-1090-070-14-2006	4/17/14	9/1/14	153,000	(30,250)		110,732	(80,482)						110,732
Lakeview Window Replacement	SDA-1090-050-14-2003	4/17/14	9/1/14	181,640	(181,640)		154,436		\$ 27,204					154,436
Riverview Toilet Room Upgrades for ADA	SDA-1090-070-14-2005	3/13/14	9/1/14	188,000	(188,000)		131,665			56,335				131,665
Lakeview Toilet Room Upgrades for ADA	SDA-1090-050-14-2004	3/13/14	9/1/14	94,000	(94,000)		76,742			17,258				76,742
Valleyview Toilet Room Upgrades for ADA	SDA-1090-080-14-2009	4/17/14	9/1/14	188,000	(188,000)		109,601			78,399				109,601
Valleyview PA System Upgrades	SDA-1090-080-14-2008	4/17/14	9/1/14	29,000			11,882	(11,882)						11,882
Riverview PA System Upgrades	SDA-1090-070-14-2007	4/17/14	9/1/14	7,620			6,144	(6,144)						6,144
Lakeview PA System Upgrades	SDA-1090-050-14-2002	4/17/14	9/1/14	26,000			10,078	(10,078)						10,078
Total Capital Projects Fund					(700,454)		700,930	(179,672)		179,196				700,930
Debt Service Fund:														
Debt Service Aid Type II	15-100-034-5120-124	7/1/14	6/30/15	156,263			\$ 156,263	(156,263)						156,263
Total Debt Service Fund							156,263	(156,263)						156,263
Total State Department of Education					(1,070,653)	\$35,341	3,139,313	(2,621,450)	\$ (35,341)	179,196	\$ (273,415)	\$ 15,255	\$ (388,849)	6,042,292
TOTAL STATE AWARDS					\$ (1,070,653)	\$35,341	\$ 3,139,313	\$ (2,621,450)	\$ (35,341)	\$ 179,196	\$ (273,415)	\$ 15,255	\$ (388,849)	\$ 6,042,292

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

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Denville Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2015. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund, special revenue fund and capital projects 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 capital projects fund is presented in accompanying schedules on the budgetary basis with the exception of the revenue recognition of the Educational Facilities Construction and Financing Act grants which are realized as revenue upon their award, whereas the GAAP basis recognizes the revenue to the extent of actual expenditures and when funds are submitted for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$3,264) for the general fund, and (\$18,782) for the special revenue fund (of which \$1,425 is for local assistance which is not included in the table on the following page). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and capital projects funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Pension Contributions and Post Retirement Contributions revenue of \$613,712 and \$974,271, respectively, as well as an adjustment to cancel prior year expenditures for \$521,258. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as on the following page:

DENVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,779,463	\$ 3,779,463
Special Revenue Fund	\$ 469,670	90,771	560,441
Capital Projects Fund		700,930	700,930
Debt Service Fund		156,263	156,263
Proprietary Fund	19,260		19,260
Total Financial Assistance	<u>\$ 488,930</u>	<u>\$ 4,727,427</u>	<u>\$ 5,216,357</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

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, 2015.

NOTE 6. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA) GRANT

In the 2013-2014 school year, the District was awarded nine grants totaling \$994,780 from the New Jersey School Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2015, the District had drawn down, and expended and submitted for reimbursement, \$700,930 in grant funds and cancelled \$293,850 in grant funds. In the Capital Projects Fund, the District realized the full amount of the grant funds as revenue on a budgetary basis in the prior year when the grant was awarded and realized the grant funds as revenue on a GAAP basis in the current year when the grant funds were expended and submitted for reimbursement.

DENVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circulars 04-04 and 15-08 or Section 510(a) of Federal OMB Circular A-133.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	<u>C.F.D.A. Number/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
IDEA, Part B, Basic	84.027	7/1/14-6/30/15	\$ 392,528	\$ 362,970
IDEA, Part B, Preschool	84.173	7/1/14-6/30/15	21,189	21,189
<u>State:</u>				
Special Education				
Categorical Aid	15-495-034-5120-089	7/1/14-6/30/15	1,026,841	1,026,841
Categorical Security Aid	15-495-034-5120-084	7/1/14-6/30/15	25,734	25,734
Categorical Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	108,847	108,847
Additional Non-Public				
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	17,574	17,574
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	16,820	16,820
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	16,820	16,820

- The threshold used for distinguishing between Type A and Type B federal and state programs was \$300,000.
- The District was determined to be a "low-risk" auditee for state programs. The District was not determined to be a "low-risk" auditee for federal programs.

DENVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

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

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in section 510(a) of the federal Circular.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in section 510(a) of the federal Circular or NJ OMB 04-04 and 15-08.

DENVILLE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Status of Prior Year Findings:

The District had no prior year audit findings.