

# **Annual Comprehensive Financial Report**

**of the**

**Township of Montgomery School District  
County of Somerset  
Skillman, New Jersey  
For the Fiscal Year Ended June 30, 2022**

**Prepared by**

**Township of Montgomery School District  
Business Office**



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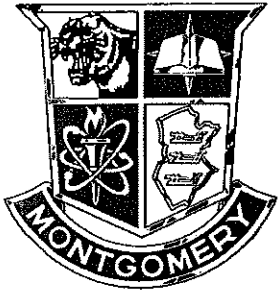
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**INTRODUCTORY SECTION**



# MONTGOMERY TOWNSHIP SCHOOLS

1014 ROUTE 601 • SKILLMAN, NJ • 08558-2112 • PHONE (609) 466-7600 • FAX: (609) 466-0944

February 17, 2023

Dr. Zeldia Spence-Wallace, President and  
Members of the Board of Education  
Township of Montgomery School District  
Somerset County, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Township of Montgomery School District for the fiscal year ended June 30, 2022 is hereby submitted. This ACFR includes the District's Basic Financial Statements prepared in accordance with U.S. generally accepted accounting principles for governmental entities as established by the Governmental Accounting Standards Board. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Township of Montgomery School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections as follows:

- The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials.
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, P.L. 104 - 156 and the Uniform Guidance and the New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.



**1. REPORTING ENTITY AND ITS SERVICES:** The Township of Montgomery School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No.3. All funds of the District are included in this report. The Township of Montgomery School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PRE-K through 12. These include regular as well as special education for handicapped youngsters. Those students who have a desire for vocational training attend the Somerset County Vocational School. The District enrollment for the 2021-22 fiscal year as reported on the ASSA report in October 2021 was 4,533 students, which is 7.5 students above the previous year's enrollment. The following chart details the changes in the student enrollment of the District since the 2012 - 2013 school year.

Enrollment Comparison as of October 2021

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2012/13            | 4,893                     | -3.1%                 |
| 2013/14            | 4,783                     | -2.0%                 |
| 2014/15            | 4,737                     | -1.0%                 |
| 2015/16            | 4,763                     | 0.5%                  |
| 2016/17            | 4,767                     | 0.0%                  |
| 2017/18            | 4,720                     | -1.0%                 |
| 2018/19            | 4,680                     | -0.9%                 |
| 2019/20            | 4,671.5                   | -0.18%                |
| 2020/21            | 4,525.5                   | -3.1%                 |
| 2021/22            | 4,533                     | 0.002%                |

Township of Montgomery Schools' programs are designed to meet the academic and curricular needs of all students K-12. Academic programs address specific content areas, gifted and talented enrichment, college preparatory, advanced placement, career readiness, basic skills and special education. Middle and high school programs include a wide selection of elective courses in science, communications, social studies, world languages, music, art, computer sciences, media, home economics, and industrial technologies. To accommodate these offerings, the district maintains modern, well-equipped buildings that are developmentally appropriate. The district configuration by school is K-2, 3-4, 5-6, 7-8 and 9-12.

The district places great value on professional growth opportunities for its administrative and teaching staff. During the 2021-22 school year the district spent nearly \$57,368 on professional learning in all areas of the curriculum. The district also reimbursed teaching staff \$165,137 to assist with the cost of college tuition for graduate coursework in order to keep teachers current in the latest best practice in education.

**2. ECONOMIC CONDITION AND OUTLOOK:** The Montgomery Township School District provides educational services to resident students in Montgomery Township and the Borough of Rocky Hill and includes a very diverse tax base. The District is approximately 52 miles southwest of New York City and 51 miles northeast of Philadelphia. US Route 206 and County Route 518 link the township to large regional employment centers via interstate highways 95 and 295. For the first time in the past four years there was minor student growth after the district had seen a trend of declining enrollment. New developments constructed in Montgomery Township have generated some additional students, but the net impact expected over the next few years is that overall enrollment will remain stable.

### **3. MAJOR INITIATIVES:**

#### **Technology:**

The district continues to upgrade its wireless infrastructure bringing MHS online to current WiFi 6 rated Access Points in the current fiscal year. Also a continued commitment to providing incoming 5th graders with new Chromebooks as they enter the district 1:1 initiative. Staff 1:1 devices are coming due for a refresh and a significant portion of the next year's technology budget will be used to provide adequate faculty devices, sustain the subscriptions to digital tools and resources for instructional use, and to maintain our current infrastructure. Classroom presentation and interactive projectors are also starting to be refreshed phasing out the oldest, end of life models first. This will be a 4 year staggered rollout addressing each model as it goes EOL.

#### **Curriculum and Instruction:**

In the 2022-23 school year, the math program for K-3 will be implemented. The current program was purchased over seven years ago and no longer meets our instructional or technology needs. In addition, the NJDOE adopted NJSLs 2022 in Career Readiness, Life Literacies, and Key Skills; Comprehensive Health and Physical Education; Computer Science & Design Thinking; Science; Social Studies; Visual and Performing Arts; and World Languages. All of our district curriculum documents have been updated to be in alignment with the new standards and reflect any additional State legislation.

The MTSD BOE and Administration are committed to developing a culturally-responsive curriculum in which diverse accomplishments, perspectives, and significant historical events are covered. This endeavor will require both a commitment to curricular revisions, staff development, and student resources and experiences.

Additionally, in the post-pandemic era, there is a heavy emphasis on data-driven instruction in order to close the learning gap caused by Covid-19. New assessment software and intervention software has been purchased for Math and ELA. We have also added a universal screener for early detection of dyslexia and other early reading delays. Aligned with these purchases, time and resources have been allocated to provide professional development to all of our staff.

**4. INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) there are limited resources and that 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 financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

**5. BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Amendments to the line items within these funds are approved by the Superintendent and subsequently ratified by the Board of Education, in accordance with state statute and Board Policy.

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

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

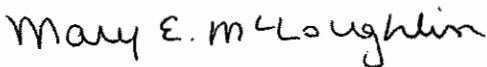
**7. DEBT ADMINISTRATION:** Starting with the 2001-2002 Budget the community felt the impact of the debt associated with the high school project. In 2009 and 2016, the school district introduced bond referendums for various improvements to the district schools which added to the school district debt. The school district could no longer afford to pay for these major maintenance issues through the annual budget process and decided to capitalize these major infrastructure improvements through the sale of bonds which would be paid for over the life of the enhancement of the asset. The district was also able to take advantage of state funds to reduce the impact on total debt. The school district is well within its borrowing capacity with this increased debt since the available borrowing margin is \$155,347,701.

**8. CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District's cash management plan allows 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 and updated in 2009 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.

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

**10. OTHER INFORMATION:** **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee Clooney & Company 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 Uniform Guidance and state Treasury Circular 15-08 OMB. The auditor's report on the basic financial statements and combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Respectfully submitted,

  
Mary E. McLoughlin  
Superintendent of Schools

  
Thomas M. Venanzi  
Interim Business Administrator/Board Secretary

**MONTGOMERY TOWNSHIP BOARD OF EDUCATION  
SKILLMAN, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2022**

| <b><u>Members of the Board of Education</u></b>  | <b><u>Term Expires</u></b> |
|--|----------------------------|
| Ms. Zelda Spence-Wallace, President              | 2023                       |
| Ms. Victoria Franco-Herman, First Vice President | 2023                       |
| Mr. Patrick Todd, Second Vice President          | 2024                       |
| Ms. Phyllis Bursh                                | 2022                       |
| Mr. Martin R. Carlson                            | 2024                       |
| Ms. Christina Harris                             | 2023                       |
| Mr. Richard Specht                               | 2022                       |
| Ms. Maria Spina                                  | 2024                       |
| Mr. Shreesh Tiwari                               | 2022                       |

**Other Officials**

Mary E. McLoughlin, Superintendent

Alicia M. Schauer, Business Administrator/Board Secretary

Robert Skibinski, Reconciler of School Monies

Stephen R. Fogarty, Esq., Solicitor

**MONTGOMERY TOWNSHIP BOARD OF EDUCATION  
SKILLMAN, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

**Architect**

Parette Somjen Architects  
439 Route 46  
Rockaway, NJ 07866

**Audit Firm**

Suplee, Clooney & Company  
308 East Broad Street  
Westfield, NJ 07090-2122

**Attorney**

Fogarty & Hara  
16-00 Route 208 South  
Fair Lawn, NJ 07410

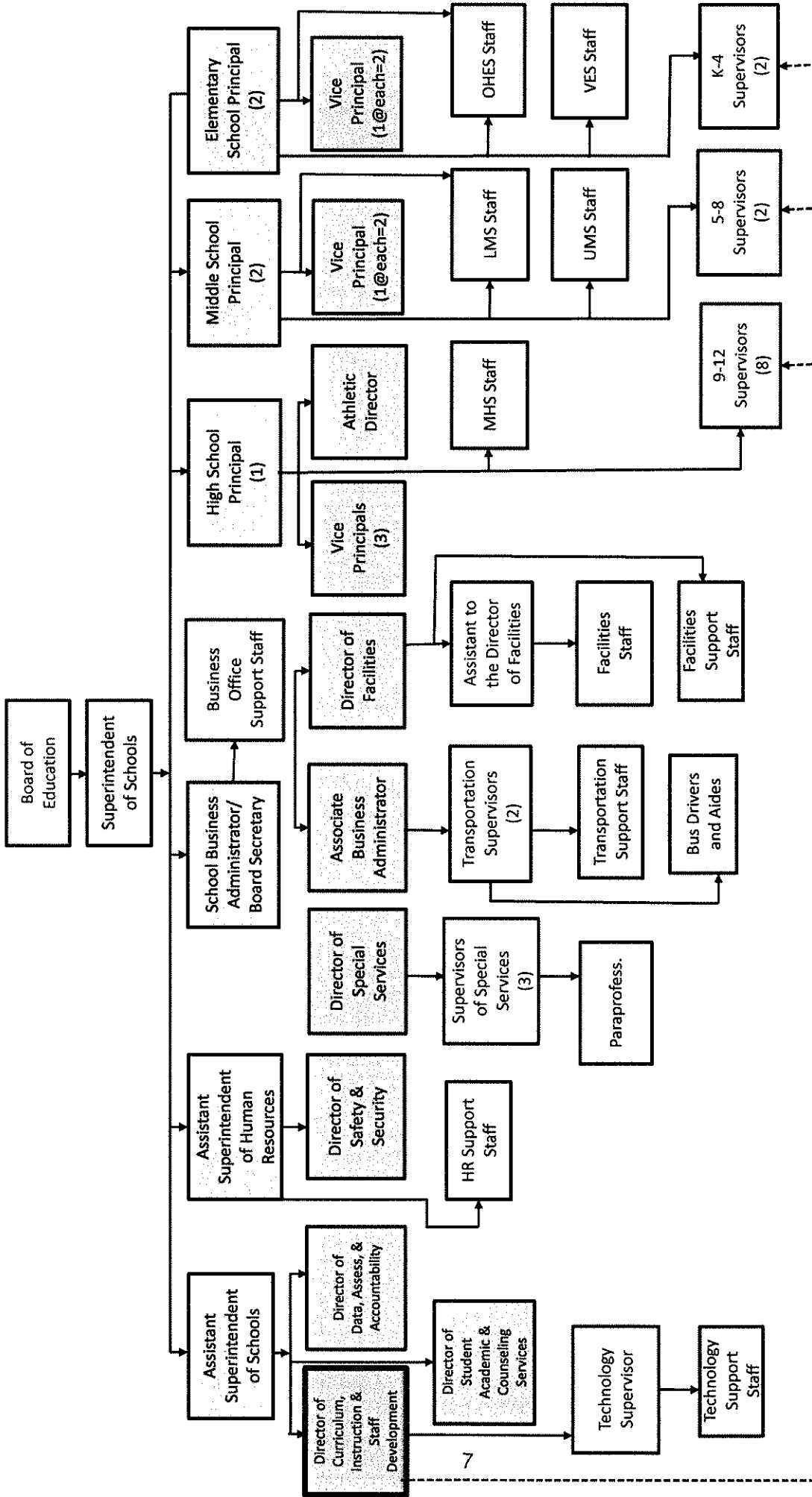
**Bond Counsel**

McManimon, Scotland & Baumann, LLC  
75 Livingston Avenue  
Roseland, NJ 07068

**Official Depositories**

TD Bank  
Santander Bank

MTSD 2021-2022



**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Township of Montgomery School District  
County of Somerset  
Skillman, New Jersey 08558

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Township of Montgomery School District, County of Somerset, New Jersey (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance") the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



# SUPLEE, CLOONEY & COMPANY

## ***Emphasis of Matter***

As discussed in Note 1 to the basic financial statements, for the year ended June 30, 2022, the District adopted Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

## **SUPLEE, CLOONEY & COMPANY**

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibits M-1 and M-2 are presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and data such as the combining statements and individual fund financial statements, and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

# SUPLEE, CLOONEY & COMPANY

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

## ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated February 17, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

February 17, 2023

**REQUIRED SUPPLEMENTARY INFORMATION – Part I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

**TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SKILLMAN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022  
UNAUDITED**

The Management's Discussion and Analysis of the Township of Montgomery School District (the "District") offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2022. The intent of this discussion is to look at the District's financial performance as a whole; therefore, readers should also review the transmittal letter at the front of this report, along with the District's financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements-Management's Discussion and Analysis-for the State and Local Governments issued in June 1999. Certain comparative information between the current fiscal year (2021-2022) and the prior fiscal year (2020-2021) is required to be presented in the MD&A. In fiscal year 2022 the District implemented GASB Statement No. 87- Leases.

**Financial Highlights**

Key financial highlights for 2021-22 are as follows:

- At the district-wide financial statements, revenue from governmental activities accounted for \$122,601,330 or 98 percent of total school district revenue. The other 2 percent of revenue was generated by the business type activities.
- The district financial performance for the year was strong by generating over \$1.9 million dollars in excess revenue and accumulating over \$4 million in unexpended balances from budget appropriations. The financial condition is stable and manageable for the next few years as forecasted in the district's long-range financial plan.
- The Board of Education decreased its outstanding debt by \$11,956,726.59, most was due to a decrease in bonds payable and the net pension liability as reported by the State Actuarial reports.

**Overview of the Financial Statements**

This Annual Comprehensive Financial Report ("ACFR") 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, District-wide Financial Statements and Fund Financial Statements.

- District-Wide Financial Statements provide both short-term and long-term information about the District's overall financial status.

**TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SKILLMAN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022  
UNAUDITED**

- Fund Financial Statements report the District's operations in more detail than the District-wide statements on individual parts of the District, the Governmental Funds and Proprietary Funds.
- 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, which include food services and summer enrichment programs.

The notes to financial statements are also included, which are an integral part of the financial statements. The information in the notes provides detailed data on the District's financial operations.

Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year. Exhibit A-1 reflects how the various parts of this annual report are arranged and related to one another.

**District-Wide Financial Statements**

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

The District-Wide Financial Statements report the District's net position and how they have changed. Net position, the difference between the District's assets 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 has improved or diminished. The causes of this change may be a result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the District-Wide Financial Statements, the District's activities are divided into two categories, governmental and business-type activities.

- Governmental activities - All of the District's programs and services are reported here including, but not limited to regular and special education instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Property taxes and state formula aid finance most of these activities.

**TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SKILLMAN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022  
UNAUDITED**

- Business-Type activities - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. District charges fees to help it cover the costs of certain services it provided. The food service and summer enrichment activities are reported as business activities.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on major funds. 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 (i.e., long-term debt) or to show that it is properly using certain restricted revenues (i.e., entitlement grants).

The District maintains two financial funds:

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



**TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SKILLMAN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022  
UNAUDITED**

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

The District's combined net position has increased from the 2020-2021 fiscal year. The net position from governmental activities increased \$6,976,119.70. Net position from business-type activities increased \$808,961.32. Table 1 below reflects the District's net position as a whole.

**Table 1  
Condensed Statement of Net Position**

|                        | Governmental Activities |                        | Business-Type Activities |                     | Total School District  |                        | Total<br>Percentage |
|------------------------|-------------------------|------------------------|--------------------------|---------------------|------------------------|------------------------|---------------------|
|                        | FY 2022                 | FY 2021                | FY 2022                  | FY 2021             | FY 2022                | FY 2021                | Change              |
| Current and            |                         |                        |                          |                     |                        |                        |                     |
| Other Assets           | \$29,967,787.04         | \$27,742,198.57        | \$1,379,099.95           | \$502,080.24        | \$31,346,886.99        | \$28,244,278.81        | 10.98%              |
| Capital Assets         | 93,449,692.74           | 98,411,935.72          | 213,593.48               | 253,264.39          | 93,663,286.22          | 98,665,200.11          | (5.07%)             |
| Total Assets           | <u>123,417,479.78</u>   | <u>126,154,134.29</u>  | <u>1,592,693.43</u>      | <u>755,344.63</u>   | <u>125,010,173.21</u>  | <u>126,909,478.92</u>  | <u>(1.50%)</u>      |
| Deferred Outflows      |                         |                        |                          |                     |                        |                        |                     |
| Related to Loss From   |                         |                        |                          |                     |                        |                        |                     |
| Refunding Debt         | 581,136.91              | 663,402.96             |                          |                     | 581,136.91             | 663,402.96             | (12.40%)            |
| Related to Pensions    | 3,239,525.00            | 4,118,711.00           |                          |                     | 3,239,525.00           | 4,118,711.00           | (21.35%)            |
| Total Deferred Outflow | <u>3,820,661.91</u>     | <u>4,782,113.96</u>    |                          |                     | <u>3,820,661.91</u>    | <u>4,782,113.96</u>    | <u>(20.11%)</u>     |
| Long-Term              |                         |                        |                          |                     |                        |                        |                     |
| Liabilities            | 59,046,469.06           | 71,090,830.25          |                          |                     | 59,046,469.06          | 71,090,830.25          | (16.94%)            |
| Short-Term             |                         |                        |                          |                     |                        |                        |                     |
| Liabilities            | 10,138,602.39           | 9,832,998.58           | 344,870.77               | 314,573.29          | 10,483,473.16          | 10,147,571.87          | 3.31%               |
| Total Liabilities      | <u>69,185,071.45</u>    | <u>80,923,828.83</u>   | <u>344,870.77</u>        | <u>421,987.96</u>   | <u>69,529,942.22</u>   | <u>81,238,402.12</u>   | <u>(14.41%)</u>     |
| Deferred Inflows       |                         |                        |                          |                     |                        |                        |                     |
| Related to Pensions    | <u>9,742,428.00</u>     | <u>8,480,975.00</u>    |                          |                     | <u>9,742,428.00</u>    | <u>8,480,975.00</u>    |                     |
| Net Position:          |                         |                        |                          |                     |                        |                        |                     |
| Net investment         |                         |                        |                          |                     |                        |                        |                     |
| in Capital             |                         |                        |                          |                     |                        |                        |                     |
| Assets                 | 44,166,338.81           | 42,154,899.61          | 213,593.48               | 253,264.39          | 44,379,932.29          | 42,408,164.00          | 4.65%               |
| Restricted             | 20,306,223.05           | 18,356,237.80          |                          |                     | 20,306,223.05          | 18,356,237.80          | 10.62%              |
| Unrestricted (Deficit) | <u>(20,022,190.14)</u>  | <u>(23,036,885.39)</u> | <u>1,068,796.97</u>      | <u>220,164.74</u>   | <u>(18,953,393.17)</u> | <u>(22,816,720.65)</u> | <u>(16.93%)</u>     |
| Total Net              |                         |                        |                          |                     |                        |                        |                     |
| Position               | <u>\$44,450,371.72</u>  | <u>\$37,474,252.02</u> | <u>\$1,282,390.45</u>    | <u>\$473,429.13</u> | <u>\$45,732,762.17</u> | <u>\$37,947,681.15</u> | <u>20.52%</u>       |

**TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SKILLMAN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022  
UNAUDITED**

**Table 2  
Changes in Net Position from Operating Results**

|  | Governmental<br>Activities |                       | Business-Type<br>Activities |                    | Total School<br>District |                       |
|--|----------------------------|-----------------------|-----------------------------|--------------------|--------------------------|-----------------------|
|  | <u>FY 2022</u>             | <u>FY 2021</u>        | <u>FY 2022</u>              | <u>FY 2021</u>     | <u>FY 2022</u>           | <u>FY 2021</u>        |
| Revenue:                                 |                            |                       |                             |                    |                          |                       |
| Program Revenue:                         |                            |                       |                             |                    |                          |                       |
| Charges for Services                     | \$737,963.09               | \$440,053.26          | \$428,945.03                | \$324,397.22       | \$1,166,908.12           | \$764,450.48          |
| Operating Grants and Contributions       | 25,158,606.71              | \$32,136,737.41       | 2,674,942.07                | 385,880.12         | 27,833,548.78            | 32,522,617.53         |
| General Revenue:                         |                            |                       |                             |                    |                          |                       |
| Property Taxes                           | 88,496,956.00              | 86,794,432.00         |                             |                    | 88,496,956.00            | 86,794,432.00         |
| Federal and State Aid not restricted     | 7,381,608.01               | 6,884,258.64          |                             |                    | 7,381,608.01             | 6,884,258.64          |
| Other                                    | 826,196.01                 | 585,766.53            | 152.17                      | 220.86             | 826,348.18               | 585,987.39            |
| <b>Total Revenue</b>                     | <u>122,601,329.82</u>      | <u>126,841,247.84</u> | <u>3,104,039.27</u>         | <u>710,498.20</u>  | <u>125,705,369.09</u>    | <u>127,551,746.04</u> |
| Expenses:                                |                            |                       |                             |                    |                          |                       |
| Instruction                              | 72,503,573.42              | 75,019,985.91         |                             |                    | 72,503,573.42            | 75,019,985.91         |
| Student & Instructional Support Services | 19,011,507.18              | 18,107,053.84         |                             |                    | 19,011,507.18            | 18,107,053.84         |
| Administrative and Business              | 9,409,720.09               | 10,052,758.44         |                             |                    | 9,409,720.09             | 10,052,758.44         |
| Maintenance & Operations                 | 6,343,439.90               | 7,366,247.55          |                             |                    | 6,343,439.90             | 7,366,247.55          |
| Transportation                           | 5,565,208.81               | 4,733,357.55          |                             |                    | 5,565,208.81             | 4,733,357.55          |
| Other                                    | 2,791,760.72               | 2,077,605.83          | 2,295,077.95                | 674,492.77         | 5,086,838.67             | 2,752,098.60          |
| <b>Total Expenses</b>                    | <u>115,625,210.12</u>      | <u>117,357,009.12</u> | <u>2,295,077.95</u>         | <u>674,492.77</u>  | <u>117,920,288.07</u>    | <u>118,031,501.89</u> |
| Increase/(Decrease) in Net Position      | <u>\$6,976,119.70</u>      | <u>\$9,484,238.72</u> | <u>\$808,961.32</u>         | <u>\$36,005.43</u> | <u>\$7,785,081.02</u>    | <u>\$9,520,244.15</u> |

**TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SKILLMAN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022  
UNAUDITED**

**Sources of Revenue for the Fiscal Year 2022**

The District's total revenue for the 2021-2022 school year was \$125,705,369.09 as reflected in Table 3 below. Property taxes accounted for 70.40 percent of the total revenue with the other 29.60 percent consisting of state and federal aid, charges for services, and miscellaneous sources.

**Table 3  
Sources of Revenue**

| <u>Sources of Revenue</u>       | <u>FY 2022</u>          |                   | <u>FY 2021</u>          |                   |
|---------------------------------|-------------------------|-------------------|-------------------------|-------------------|
|                                 | <u>Amount</u>           | <u>Percentage</u> | <u>Amount</u>           | <u>Percentage</u> |
| Property Taxes                  | \$88,496,956.00         | 70.40%            | \$86,794,432.00         | 68.05%            |
| Operating State and Federal Aid | 32,725,596.73           | 26.03%            | 37,698,229.98           | 29.56%            |
| Federal and State Grants        | 2,604,574.71            | 2.07%             | 1,708,646.19            | 1.34%             |
| Charges for Services            | 1,166,908.12            | 0.93%             | 764,450.48              | 0.60%             |
| Other                           | 711,333.53              | 0.56%             | 585,987.39              | 0.45%             |
|                                 | <u>\$125,705,369.09</u> | <u>100.00%</u>    | <u>\$127,551,746.04</u> | <u>100.00%</u>    |

**Expenses**

The total expenses for the 2021-2022 fiscal year for all programs and services were \$117,920,288.07. Table 4 below summarizes these program costs. The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through twelve, which accounts for 82.33 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in all five school buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds. It is important to note that depreciation expense on capital assets is included in expenses for the year under the GASB entity-wide reporting model; expenses therefore include \$5,709,034.00 for depreciation. The decrease in total expenses can be explained by the change in the post employment benefits expense based on the State's Actuarial report.

**TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SKILLMAN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022  
UNAUDITED**

**Table 4  
Expenses**

| <u>Expense Category</u>        | <u>FY 2022</u>          |                   | <u>FY 2021</u>          |                   |
|--------------------------------|-------------------------|-------------------|-------------------------|-------------------|
|                                | <u>Amount</u>           | <u>Percentage</u> | <u>Amount</u>           | <u>Percentage</u> |
| Instruction                    | \$72,503,573.42         | 61.49%            | \$75,019,985.91         | 63.56%            |
| Student & Instruction Services | 19,011,507.18           | 16.12%            | 18,107,053.84           | 15.34%            |
| Administrative and Business    | 9,409,720.09            | 7.98%             | 10,052,758.44           | 8.52%             |
| Maintenance & Operations       | 6,343,439.90            | 5.38%             | 7,366,247.55            | 6.24%             |
| Transportation                 | 5,565,208.81            | 4.72%             | 4,733,357.55            | 4.01%             |
| Other                          | 5,086,838.67            | 4.30%             | 2,752,098.60            | 2.33%             |
|                                | <u>\$117,920,288.07</u> | <u>100.00%</u>    | <u>\$118,031,501.89</u> | <u>100.00%</u>    |

**Governmental Activities**

Table 5 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of six major District activities: instruction, student and instructional services, administration and business, maintenance and operations, transportation, and other. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

**Table 5  
Net Cost of Governmental Activities**

| <u>Expense Category</u>        | <u>FY 2022</u>         |                   | <u>FY 2021</u>         |                   |
|--------------------------------|------------------------|-------------------|------------------------|-------------------|
|                                | <u>Amount</u>          | <u>Percentage</u> | <u>Amount</u>          | <u>Percentage</u> |
| Instruction                    | \$55,483,066.47        | 61.83%            | \$52,571,766.77        | 62.01%            |
| Student & Instruction Services | 13,657,986.08          | 15.22%            | 12,159,077.26          | 14.34%            |
| Administrative and Business    | 7,969,023.34           | 8.88%             | 7,974,889.49           | 9.41%             |
| Maintenance & Operations       | 6,343,439.90           | 7.07%             | 7,366,247.55           | 8.69%             |
| Transportation                 | 4,175,255.81           | 4.65%             | 3,343,404.55           | 3.94%             |
| Other                          | 2,099,868.72           | 2.34%             | 1,364,832.83           | 1.61%             |
|                                | <u>\$89,728,640.32</u> | <u>100.00%</u>    | <u>\$84,780,218.45</u> | <u>100.00%</u>    |

**TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SKILLMAN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022  
UNAUDITED**

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

Students and instruction related include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and central services include expenses associated with administrative and financial management of the District.

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

"Other" includes unallocated depreciation.

**General Fund Budgeting Highlights**

The District's budget is prepared according to New Jersey Statutes and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

Over the course of the year, the Board of Education approved revisions to the general fund budget as needed. These budget amendments were necessary for the following reasons:

- Changes in administrative structure and needs required additional funds being transferred into those areas.
- Realigned appropriations in accordance with the prescribed chart of accounts as needed.

**Capital Assets**

During the fiscal year 2021-2022, the District's depreciation expense and retired assets exceeded capital acquisitions, therefore total capital assets net of depreciation decreased. Table 6 reflects the comparative balances of capital assets net of depreciation. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

**TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SKILLMAN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022  
UNAUDITED**

**Table 6  
Capital Assets (Net of Depreciation)**

|                     | Governmental Activities |                        | Business-Type Activities |                     | Total School District  |                        | Total          |
|---------------------|-------------------------|------------------------|--------------------------|---------------------|------------------------|------------------------|----------------|
|                     | <u>FY 2022</u>          | <u>FY 2021</u>         | <u>FY 2022</u>           | <u>FY 2021</u>      | <u>FY 2022</u>         | <u>FY 2021</u>         | <u>Change</u>  |
| Land                | \$6,760,785.00          | \$6,760,785.00         |                          |                     | \$6,760,785.00         | \$6,760,785.00         |                |
| Site                |                         |                        |                          |                     |                        |                        |                |
| Improvements        | 3,529,329.26            | 3,991,946.99           |                          |                     | 3,529,329.26           | 3,991,946.99           | (11.59%)       |
| Building and        |                         |                        |                          |                     |                        |                        |                |
| Building            |                         |                        |                          |                     |                        |                        |                |
| Improvements        | 79,608,085.02           | 67,513,190.52          |                          |                     | 79,608,085.02          | 67,513,190.52          | 17.91%         |
| Construction in     |                         |                        |                          |                     |                        |                        |                |
| Progress            |                         | 16,179,288.16          |                          |                     |                        | 16,179,288.16          | (100.00%)      |
| Machinery and       |                         |                        |                          |                     |                        |                        |                |
| Equipment           | 3,551,493.46            | 3,966,725.05           | \$213,593.48             | \$253,264.39        | 3,765,086.94           | 4,219,989.44           | (10.78%)       |
| <b>Total Assets</b> | <b>\$93,449,692.74</b>  | <b>\$98,411,935.72</b> | <b>\$213,593.48</b>      | <b>\$253,264.39</b> | <b>\$93,663,286.22</b> | <b>\$98,665,200.11</b> | <b>(5.07%)</b> |

**Debt and Long-term Liabilities Administration**

At June 30, 2022, the District had \$66,349,677.11 of outstanding long-term debt, consisting of bonds payable, compensated absences, installment purchase contracts, unamortized premiums and net pension liability. The District will continue to pay down its debt, as the obligations are due. Table 7 reflects the comparison of outstanding debt for the past two fiscal years. More information of the District's long-term debt is presented in Note 4 to the financial statements.

**Table 7  
Outstanding Long-term Debt**

|  | Total School Debt      |                        | Total                    |
|--|------------------------|------------------------|--------------------------|
|  | <u>FY 2022</u>         | <u>FY 2021</u>         | <u>Percentage Change</u> |
| Installment Purchase Contracts Payable | \$2,434,427.43         | \$3,711,017.78         | (34.40%)                 |
| Compensated Absences Payable           | 1,060,117.27           | 913,558.63             | 16.04%                   |
| Bonds Payable                          | 44,497,000.00          | 49,787,000.00          | (10.63%)                 |
| Original Issue Premium                 | 2,933,063.41           | 3,422,421.29           | (14.30%)                 |
| Net Pension Liability Payable          | 15,425,069.00          | 20,472,406.00          | (24.65%)                 |
|  | <b>\$66,349,677.11</b> | <b>\$78,306,403.70</b> | <b>(15.27%)</b>          |

**TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SKILLMAN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022  
UNAUDITED**

**District Highlights**

Key district highlights for 2021-22 are as follows:

**Monitoring:** New Jersey Quality Single Accountability Continuum (QSAC) is the Department of Education's monitoring and evaluation system. Its primary purpose is to measure and improve school district performance in meeting State standards in the areas of Governance, Curriculum, Personnel, Finance, and Facilities. Montgomery Township School District was monitored by the State Department of Education during the 2019-2020 school year which included site visits, extensive interviews, and review of all district, state and federal reporting. At the conclusion of the process, the district was notified that it scored successfully in each of the five weighted areas of the QSAC review process and was designated as "high performing." The district will be monitored again during the 2022-2023 school year.

**Facilities:** During the 2021-2022 fiscal year, all major systems and equipment were inspected and serviced, as needed. Comprehensive Maintenance Plan (CMP) activities were completed in accordance with this ongoing multi-year plan of the building's major subsystems. Capital projects were completed in accordance with the Long Range Facilities Plan (LRFP) which plans and budgets the major infrastructure repairs/enhancements to the district owned assets.

**Staff Development:** Our faculty members are committed to the constant improvement of their instructional skill and the acquisition of new strategies that are supported by a professional development plan around increasing a *Universal Design for Learning* approach to classroom instruction and increased awareness of Cultural Literacy to increase equity in access for all learners. Teachers benefit from opportunities for graduate study at colleges and universities, professional development seminars, and in-district workshops to support their needs and desire to grow professionally. Each school year, all of our teachers participate in at least twenty (20) hours of professional development via in-district workshops, academic coursework, professional learning communities (PLCs), staff meetings that incorporate professional development, and workshop facilitation by turnkey trainers.

**The District's Future**

The Montgomery Township School District is in good financial condition after recovering from the COVID-19 pandemic. Our revenues from building rentals is back to normal and healthy as our buildings resuming normal operations. In addition, our food service operations revenues have been robust due to the District participating in the Seamless Summer Operation (SSO) program. This program afforded us the ability to provide free meals, breakfast and lunch, to anyone with district borders under the age of 18. The District continues to support the health and safety of students and staff with purchases made through the ARP grant. The School District is proud of its community support of the public schools and continues to be committed to focus future energies on reducing costs and providing additional revenue sources that will help reduce reliance on the local property taxes, while still maintaining high quality programming.

In conclusion, the Montgomery Township School District has committed itself to financial excellence and fiscal constraint for many years. In addition, the School district's system for financial planning, budgeting and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

**TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SKILLMAN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022  
UNAUDITED**

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. Questions regarding this report can be directed to Mr. Tom Venanzi, Interim School Business Administrator/Interim Board Secretary at the Montgomery Township School District, 1014 Route 601, Skillman, NJ 08558.



## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2022.

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

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

|  | <u>GOVERNMENTAL</u><br><u>ACTIVITIES</u> | <u>BUSINESS-TYPE</u><br><u>ACTIVITIES</u> | <u>TOTAL</u>           |
|--|--|---|------------------------|
| <b>ASSETS:</b>                                   |  |   |                        |
| Cash and cash equivalents                        | \$15,515,681.90                          | \$1,096,085.59                            | \$16,611,767.49        |
| Receivables, net                                 | 3,515,299.38                             | 261,712.88                                | 3,777,012.26           |
| Inventory  |  | 21,301.48                                 | 21,301.48              |
| Prepaid expenses                                 |  | 34,567.79                                 | 34,567.79              |
| Restricted assets:                               |  |   |                        |
| Restricted cash and cash equivalents             | 10,936,805.76                            |   | 10,936,805.76          |
| Capital assets:                                  |  |   |                        |
| Land and construction in progress                | 6,760,785.00                             |   | 6,760,785.00           |
| Other capital assets, net                        | 86,688,907.74                            | 213,593.48                                | 86,902,501.22          |
| Total assets                                     | <u>123,417,479.78</u>                    | <u>1,627,261.22</u>                       | <u>125,044,741.00</u>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>           |  |   |                        |
| Related to loss from debt refunding              | 581,136.91                               |   | 581,136.91             |
| Related to pensions                              | 3,239,525.00                             |   | 3,239,525.00           |
| Total Deferred Outflows of Resources             | <u>3,820,661.91</u>                      |   | <u>3,820,661.91</u>    |
| <b>LIABILITIES:</b>                              |  |   |                        |
| Accounts payable                                 | 2,149,567.18                             |   | 2,149,567.18           |
| Accrued liabilities                              | 1,190,200.00                             |   | 1,190,200.00           |
| Payable to state government                      | 7,756.00                                 |   | 7,756.00               |
| Payroll deductions payable                       | 2,547,552.99                             |   | 2,547,552.99           |
| Unemployment deductions payable                  | 122,517.53                               |   | 122,517.53             |
| Unearned revenue                                 | 177,341.04                               | 344,870.77                                | 522,211.81             |
| Interest payable                                 | 500,730.12                               |   | 500,730.12             |
| Noncurrent liabilities:                          |  |   |                        |
| Due within one year                              | 7,303,208.05                             |   | 7,303,208.05           |
| Due beyond one year:                             |  |   |                        |
| Net Pension Liability                            | 15,425,069.00                            |   | 15,425,069.00          |
| Compensated absences payable                     | 1,060,117.27                             |   | 1,060,117.27           |
| Bonds and installment purchase contracts payable | 42,561,282.79                            |   | 42,561,282.79          |
| Total liabilities                                | <u>73,045,341.97</u>                     | <u>344,870.77</u>                         | <u>73,390,212.74</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>            |  |   |                        |
| Related to pensions                              | 9,742,428.00                             |   | 9,742,428.00           |
| Total Deferred Inflows of Resources              | <u>9,742,428.00</u>                      |   | <u>9,742,428.00</u>    |
| <b>NET POSITION:</b>                             |  |   |                        |
| Net investment in capital assets                 | 44,166,338.81                            | 213,593.48                                | 44,379,932.29          |
| Restricted for:                                  |  |   |                        |
| Capital projects fund                            | 7,524,995.26                             |   | 7,524,995.26           |
| Special revenue fund                             | 510,268.15                               |   | 510,268.15             |
| Other purposes                                   | 12,270,959.64                            |   | 12,270,959.64          |
| Unrestricted (deficit)                           | <u>(20,022,190.14)</u>                   | <u>1,068,796.97</u>                       | <u>(18,953,393.17)</u> |
| Total net position                               | <u>\$44,450,371.72</u>                   | <u>\$1,282,390.45</u>                     | <u>\$45,732,762.17</u> |

The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2022

| FUNCTIONS/PROGRAMS                       | EXPENSES         | INDIRECT EXPENSES ALLOCATION | CHARGES FOR SERVICES | PROGRAM REVENUES OPERATING GRANTS AND CONTRIBUTIONS | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION |                          |
|--|------------------|------------------------------|----------------------|---|---|--------------------------|
|  |                  |                              |                      |   | GOVERNMENTAL ACTIVITIES                           | BUSINESS-TYPE ACTIVITIES |
| Governmental Activities:                 |                  |                              |                      |   |   |                          |
| Instruction:                             |                  |                              |                      |   |   |                          |
| Regular                                  | \$32,120,531.48  | \$16,220,592.67              |                      | \$11,423,854.62                                     | (\$36,917,269.53)                                 | (\$36,917,269.53)        |
| Special education                        | 13,201,413.05    | 4,973,484.89                 |                      | 4,371,451.70  | (13,803,446.25)                                   | (13,803,446.25)          |
| Other                                    | 4,357,531.65     | 1,630,019.68                 |                      | 1,225,200.64  | (4,762,350.69)                                    | (4,762,350.69)           |
| Support services:                        |                  |                              |                      |   |   |                          |
| Student and instruction related services | 13,905,590.06    | 5,105,917.10                 | \$737,963.09         | 4,615,558.01  | (13,657,986.08)                                   | (13,657,986.08)          |
| General administrative services          | 1,568,273.84     | 270,536.28                   |                      |   | (1,838,810.12)                                    | (1,838,810.12)           |
| School administrative services           | 4,119,590.52     | 2,236,611.66                 |                      | 1,440,696.74  | (4,915,505.44)                                    | (4,915,505.44)           |
| Central services                         | 1,163,984.31     | (83,349.04)                  |                      |   | (1,080,635.27)                                    | (1,080,635.27)           |
| Administration information technology    | 137,963.50       | (3,890.98)                   |                      |   | (134,072.52)                                      | (134,072.52)             |
| Plant operations and maintenance         | 6,484,753.32     | (141,313.42)                 |                      |   | (6,343,439.90)                                    | (6,343,439.90)           |
| Student transportation services          | 4,803,613.09     | 761,595.72                   |                      | 1,389,953.00  | (4,175,255.81)                                    | (4,175,255.81)           |
| Unallocated benefits                     | 26,584,881.28    | (26,584,881.28)              |                      |   |   |                          |
| Unallocated Depreciation                 | 5,709,034.00     | (4,385,323.28)               |                      |   | (1,323,710.72)                                    | (1,323,710.72)           |
| Interest on long term debt               | 1,468,050.00     |                              |                      | 691,892.00  | (776,158.00)                                      | (776,158.00)             |
| Total governmental activities            | 115,625,210.12   | 737,963.09                   | 737,963.09           | 25,158,606.71                                       | (89,728,640.32)                                   | (89,728,640.32)          |
| Business-type activities:                |                  |                              |                      |   |   |                          |
| Food service                             | 2,096,200.80     |                              | 240,378.03           | 2,674,942.07  |   | 819,119.30               |
| Summer enrichment                        | 198,877.15       |                              | 188,567.00           |   |   | (10,310.15)              |
| Total business-type activities           | 2,295,077.95     |                              | 428,945.03           | 2,674,942.07  |   | 808,809.15               |
| Total primary government                 | \$117,920,288.07 |                              | \$1,166,908.12       | \$27,833,548.78                                     | (\$89,728,640.32)                                 | (\$88,919,831.17)        |
|  |                  |                              |                      | General Revenues:                                   |   |                          |
|  |                  |                              |                      | Taxes:  |   |                          |
|  |                  |                              |                      | Property taxes - general                            | \$81,290,772.00                                   | \$81,290,772.00          |
|  |                  |                              |                      | Property taxes - debt service                       | 7,206,184.00                                      | 7,206,184.00             |
|  |                  |                              |                      | Federal and state aid not restricted                | 7,381,608.01                                      | 7,381,608.01             |
|  |                  |                              |                      | Capital grants                                      | 115,014.65  | 115,014.65               |
|  |                  |                              |                      | Miscellaneous income                                | 711,181.36  | 711,333.53               |
|  |                  |                              |                      | Total general revenues                              | 96,704,760.02                                     | 96,704,912.19            |
|  |                  |                              |                      | Change in net position                              | 6,976,119.70                                      | 7,765,081.02             |
|  |                  |                              |                      | Net Position - beginning                            | 37,474,252.02                                     | 37,947,681.15            |
|  |                  |                              |                      | Net Position ending                                 | \$44,450,371.72                                   | \$45,732,762.17          |

The accompanying notes to the financial statements are an integral part of this statement.

**MAJOR FUND FINANCIAL STATEMENTS**

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

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

| ASSETS:   | GENERAL<br>FUND        | SPECIAL<br>REVENUE<br>FUND | CAPITAL<br>PROJECTS<br>FUND | DEBT<br>SERVICE<br>FUND | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|---|------------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| <b>Assets:</b>  |                        |                            |                             |                         |                                |
| Cash and cash equivalents                                   | \$14,460,852.96        | \$510,268.15               | \$1,022,688.17              | \$32,140.77             | \$16,025,950.05                |
| Cash on hand with fiscal agents                             | 433,276.00             |                            |                             |                         | 433,276.00                     |
| Capital reserve account                                     | 6,718,278.22           |                            |                             |                         | 6,718,278.22                   |
| Maintenance reserve account                                 | 3,000,000.00           |                            |                             |                         | 3,000,000.00                   |
| Emergency reserve account                                   | 274,983.39             |                            |                             |                         | 274,983.39                     |
| Accounts receivable:  |                        |                            |                             |                         |                                |
| Federal   | 1,554.66               | 379,409.80                 |                             |                         | 380,964.46                     |
| State   | 3,108,469.27           |                            | 25,014.65                   |                         | 3,133,483.92                   |
| Other   |                        | 851.00                     |                             |                         | 851.00                         |
| Interfunds receivable                                       | 414,406.43             |                            |                             | 9,021.88                | 423,428.31                     |
| <b>Total assets</b>   | <b>28,411,820.93</b>   | <b>890,528.95</b>          | <b>1,047,702.82</b>         | <b>41,162.65</b>        | <b>30,391,215.35</b>           |
| <b>LIABILITIES AND FUND BALANCES:</b>                       |                        |                            |                             |                         |                                |
| <b>Liabilities:</b>   |                        |                            |                             |                         |                                |
| Accounts payable  | 507,425.26             | 25,559.92                  |                             |                         | 532,985.18                     |
| Payroll deductions payable                                  | 2,547,552.99           |                            |                             |                         | 2,547,552.99                   |
| Unemployment deductions payable                             | 122,517.53             |                            |                             |                         | 122,517.53                     |
| Intergovernmental payable:                                  |                        |                            |                             |                         |                                |
| State   |                        | 7,756.00                   |                             |                         | 7,756.00                       |
| Interfunds payable  |                        | 182,442.53                 | 240,985.78                  |                         | 423,428.31                     |
| Accrued liabilities for health benefits claims              | 1,190,200.00           |                            |                             |                         | 1,190,200.00                   |
| Unearned revenue  | 12,838.69              | 164,502.35                 |                             |                         | 177,341.04                     |
| <b>Total liabilities</b>                                    | <b>4,380,534.47</b>    | <b>380,260.80</b>          | <b>240,985.78</b>           |                         | <b>5,001,781.05</b>            |
| <b>Fund balances:</b>                                       |                        |                            |                             |                         |                                |
| <b>Restricted for:</b>                                      |                        |                            |                             |                         |                                |
| Capital reserve account                                     | 6,718,278.22           |                            |                             |                         | 6,718,278.22                   |
| Maintenance reserve account                                 | 3,000,000.00           |                            |                             |                         | 3,000,000.00                   |
| Emergency reserve account                                   | 274,983.39             |                            |                             |                         | 274,983.39                     |
| Excess surplus designated for subsequent years expenditures | 3,809,656.00           |                            |                             |                         | 3,809,656.00                   |
| Excess surplus - current year                               | 3,799,489.76           |                            |                             |                         | 3,799,489.76                   |
| State unemployment  | 732,883.19             |                            |                             |                         | 732,883.19                     |
| Student activity funds                                      |                        | 480,889.55                 |                             |                         | 480,889.55                     |
| Scholarships  |                        | 29,378.60                  |                             |                         | 29,378.60                      |
| Capital projects fund                                       |                        |                            | 320,288.13                  |                         | 320,288.13                     |
| Debt service fund   |                        |                            |                             | 41,162.65               | 41,162.65                      |
| <b>Assigned for:</b>  |                        |                            |                             |                         |                                |
| FFCRA/SEMI Designated for subsequent years expenditures     | 1,691.96               |                            |                             |                         | 1,691.96                       |
| Year-end encumbrances                                       | 652,255.34             |                            |                             |                         | 652,255.34                     |
| <b>Committed for:</b>                                       |                        |                            |                             |                         |                                |
| Year-end encumbrances                                       |                        |                            | 486,428.91                  |                         | 486,428.91                     |
| Unassigned  | 5,042,048.60           |                            |                             |                         | 5,042,048.60                   |
| <b>Total fund balances</b>                                  | <b>24,031,286.46</b>   | <b>510,268.15</b>          | <b>806,717.04</b>           | <b>41,162.65</b>        | <b>25,389,434.30</b>           |
| <b>Total liabilities and fund balances</b>                  | <b>\$28,411,820.93</b> | <b>\$890,528.95</b>        | <b>\$1,047,702.82</b>       | <b>\$41,162.65</b>      | <b>\$30,391,215.35</b>         |

The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

|  |                        |                               |
|--|------------------------|-------------------------------|
| Total Fund Balances (Brought Forward)  |                        | \$25,389,434.30               |
| Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:   |                        |                               |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.  |                        |                               |
| Cost of Assets   | \$184,833,984.64       |                               |
| Accumulated Depreciation   | <u>(91,384,291.90)</u> | 93,449,692.74                 |
| Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds. |                        |                               |
| Net pension liability  | (15,425,069.00)        |                               |
| Compensated absences payable   | (1,060,117.27)         |                               |
| Installment purchase contracts payable   | (2,434,427.43)         |                               |
| Serial bonds payable   | (\$44,497,000.00)      |                               |
| Unamortized Deferred Amount on Refunding Bonds, net  | <u>(2,351,926.50)</u>  |                               |
|  | <u>(46,848,926.50)</u> | (65,768,540.20)               |
| Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.   |                        |                               |
| Pensions:  |                        |                               |
| Deferred Outflows  |                        |                               |
| Pension related  |                        | 3,239,525.00                  |
| Deferred Inflows:  |                        |                               |
| Pension related  |                        | (9,742,428.00)                |
| Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.   |                        |                               |
| Accounts payable - pension related   | (1,616,582.00)         |                               |
| Accrued interest payable   | <u>(500,730.12)</u>    |                               |
|  |                        | <u>(2,117,312.12)</u>         |
| Net Position of Governmental Activities  |                        | <u><u>\$44,450,371.72</u></u> |

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

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

|   | GENERAL<br>FUND       | SPECIAL<br>REVENUE<br>FUND | CAPITAL<br>PROJECTS<br>FUND | DEBT<br>SERVICE<br>FUND | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|---|-----------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| <b>REVENUES:</b>  |                       |                            |                             |                         |                                |
| Local sources:  |                       |                            |                             |                         |                                |
| Local tax levy  | \$81,290,772.00       |                            |                             | \$7,206,184.00          | \$88,496,956.00                |
| Tuition from other LEA's within the state                 | 193,166.23            |                            |                             |                         | 193,166.23                     |
| Other restricted miscellaneous                            | 1,107.54              |                            |                             |                         | 1,107.54                       |
| Miscellaneous   | 484,155.23            | \$794,251.24               | 9,021.88                    |                         | 1,287,428.35                   |
| <b>Total revenues-local sources</b>                       | <b>81,969,201.00</b>  | <b>794,251.24</b>          | <b>9,021.88</b>             | <b>7,206,184.00</b>     | <b>89,978,658.12</b>           |
| State sources   | 29,964,405.65         | 72,708.00                  | 115,014.65                  | 691,892.00              | 30,844,020.30                  |
| Federal sources   | 17,190.01             | 2,384,294.39               |                             |                         | 2,401,484.40                   |
| <b>Total revenues</b>                                     | <b>111,950,796.66</b> | <b>3,251,253.63</b>        | <b>124,036.53</b>           | <b>7,898,076.00</b>     | <b>123,224,162.82</b>          |
| <b>EXPENDITURES:</b>                                      |                       |                            |                             |                         |                                |
| Current expense:  |                       |                            |                             |                         |                                |
| Instruction:  |                       |                            |                             |                         |                                |
| Regular   | 25,943,071.96         | 901,270.91                 |                             |                         | 26,844,342.87                  |
| Special instruction                                       | 8,889,632.01          | 770,597.94                 |                             |                         | 9,660,229.95                   |
| Other instruction   | 3,273,026.08          |                            |                             |                         | 3,273,026.08                   |
| Support services:   |                       |                            |                             |                         |                                |
| Tuition   | 2,143,137.26          |                            |                             |                         | 2,143,137.26                   |
| Student and instruction related services                  | 10,196,770.76         | 1,555,654.30               |                             |                         | 11,752,425.06                  |
| General administrative services                           | 1,568,273.84          |                            |                             |                         | 1,568,273.84                   |
| School administrative services                            | 3,397,202.56          |                            |                             |                         | 3,397,202.56                   |
| Central services  | 1,163,984.31          |                            |                             |                         | 1,163,984.31                   |
| Administration Information Technology                     | 336,109.31            |                            |                             |                         | 336,109.31                     |
| Plant operations and maintenance                          | 6,474,718.28          |                            |                             |                         | 6,474,718.28                   |
| Student transportation services                           | 5,349,658.48          |                            |                             |                         | 5,349,658.48                   |
| Employee benefits   | 40,527,253.64         |                            |                             |                         | 40,527,253.64                  |
| Capital outlay  | 429,709.15            |                            | 407,081.87                  |                         | 836,791.02                     |
| Capital outlay - debt assessment                          | 158,855.00            |                            |                             |                         | 158,855.00                     |
| Charter Schools   | 62,692.00             |                            |                             |                         | 62,692.00                      |
| Debt service:   |                       |                            |                             |                         |                                |
| Principal   |                       |                            |                             | 6,033,104.19            | 6,033,104.19                   |
| Interest  |                       |                            |                             | 1,957,270.31            | 1,957,270.31                   |
| <b>Total expenditures</b>                                 | <b>109,914,094.64</b> | <b>3,227,523.15</b>        | <b>407,081.87</b>           | <b>7,990,374.50</b>     | <b>121,539,074.16</b>          |
| Excess (deficiency) of revenues over (under) expenditures | 2,036,702.02          | 23,730.48                  | (283,045.34)                | (92,298.50)             | 1,685,088.66                   |
| Other financing sources (uses):                           |                       |                            |                             |                         |                                |
| Operating transfers in                                    |                       |                            |                             | 9,021.88                | 9,021.88                       |
| Operating transfers out                                   |                       |                            | (9,021.88)                  |                         | (9,021.88)                     |
| Installment purchase contracts (non-budgeted)             | 200,670.00            |                            |                             |                         | 200,670.00                     |
| <b>Total financing sources (uses):</b>                    | <b>200,670.00</b>     |                            | <b>(9,021.88)</b>           | <b>9,021.88</b>         | <b>200,670.00</b>              |
| Net change in fund balances                               | 2,237,372.02          | 23,730.48                  | (292,067.22)                | (83,276.62)             | 1,885,758.66                   |
| Fund balances, July 1, 2021                               | 21,793,914.44         | 486,537.67                 | 1,098,784.26                | 124,439.27              | 23,503,675.64                  |
| Fund balances, June 30, 2022                              | \$24,031,286.46       | \$510,268.15               | \$806,717.04                | \$41,162.65             | \$25,389,434.30                |

The accompanying notes to the financial statements are an integral part of this statement



TOWNSHIP OF MONTGOMERY 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, 2022

|  |                     |                              |
|--|---------------------|------------------------------|
| Total net change in fund balances - governmental funds (from B-2)  |                     | \$1,885,758.66               |
| <p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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 exceeded capital outlays in the period.</p>  |                     |                              |
| Depreciation expense   | (\$5,709,034.00)    |                              |
| Capital outlays  | 995,646.02          |                              |
| Capital outlays not capitalized  | <u>(248,855.00)</u> |                              |
|  |                     | (4,962,242.98)               |
| <p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>   |                     |                              |
| Proceeds from installment purchase contracts   | (200,670.00)        |                              |
| Deferred amount on refunding bonds   | <u>407,091.83</u>   |                              |
|  |                     | 206,421.83                   |
| <p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>   |                     |                              |
| Payment of bond principal  | 5,290,000.00        |                              |
| Payment of installment purchase contracts payable  | <u>1,477,260.35</u> |                              |
|  |                     | 6,767,260.35                 |
| <p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>   |                     |                              |
|  |                     | 82,128.48                    |
| <p>District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p> |                     |                              |
| District pension contributions   | 1,524,885.00        |                              |
| Less: Pension expense  | <u>1,618,467.00</u> |                              |
|  |                     | 3,143,352.00                 |
| <p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In 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 (+).</p>             |                     |                              |
|  |                     | <u>(146,558.64)</u>          |
| Change in net position of governmental activities  |                     | <u><u>\$6,976,119.70</u></u> |

The accompanying notes to the financial statements are an integral part of this statement

**OTHER FUNDS**

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
JUNE 30, 2022

|                                  | <u>BUSINESS TYPE ACTIVITIES -</u><br><u>ENTERPRISE FUNDS</u> |                                    |                       |
|----------------------------------|--|------------------------------------|-----------------------|
|                                  | <u>FOOD</u><br><u>SERVICE</u>                                | <u>SUMMER</u><br><u>ENRICHMENT</u> | <u>TOTAL</u>          |
| <b>ASSETS</b>                    |  |                                    |                       |
| Current assets:                  |  |                                    |                       |
| Cash & cash equivalents          | \$ 747,871.62  | \$ 348,213.97                      | \$ 1,096,085.59       |
| Accounts receivable:             |  |                                    |                       |
| State                            | 4,136.06   |                                    | 4,136.06              |
| Federal                          | 240,821.72   |                                    | 240,821.72            |
| Other                            | 16,755.10  |                                    | 16,755.10             |
| Prepaid expenses                 |  | 34,567.79                          | 34,567.79             |
| Inventories                      | 21,301.48  |                                    | 21,301.48             |
|                                  | <u>1,030,885.98</u>  | <u>382,781.76</u>                  | <u>1,413,667.74</u>   |
| Total current assets             | \$   | \$                                 | \$                    |
| Noncurrent assets:               |  |                                    |                       |
| Furniture, machinery & equipment | \$ 1,301,062.21  | \$                                 | \$ 1,301,062.21       |
| Less accumulated depreciation    | <u>(1,087,468.73)</u>  |                                    | <u>(1,087,468.73)</u> |
|                                  | <u>213,593.48</u>  | <u></u>                            | <u>213,593.48</u>     |
| Total noncurrent assets          | \$   | \$                                 | \$                    |
|                                  | <u>1,244,479.46</u>  | <u>382,781.76</u>                  | <u>1,627,261.22</u>   |
| Total assets                     | \$   | \$                                 | \$                    |
| <b>LIABILITIES</b>               |  |                                    |                       |
| Current liabilities:             |  |                                    |                       |
| Unearned revenue                 | \$ 84,190.77   | \$ 260,680.00                      | \$ 344,870.77         |
|                                  | <u>84,190.77</u>   | <u>260,680.00</u>                  | <u>344,870.77</u>     |
| Total current liabilities        | \$   | \$                                 | \$                    |
|                                  | <u>84,190.77</u>   | <u>260,680.00</u>                  | <u>344,870.77</u>     |
| Total liabilities                | \$   | \$                                 | \$                    |
| <b>NET POSITION</b>              |  |                                    |                       |
| Net Investment in Capital Assets | \$ 213,593.48  | \$                                 | \$ 213,593.48         |
| Unrestricted                     | <u>946,695.21</u>  | <u>122,101.76</u>                  | <u>1,068,796.97</u>   |
|                                  | <u>1,160,288.69</u>  | <u>122,101.76</u>                  | <u>1,282,390.45</u>   |
| Total net position               | \$   | \$                                 | \$                    |

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

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

|   | BUSINESS TYPE ACTIVITIES -                     |                                    |                   |
|---|--|------------------------------------|-------------------|
|   | ENTERPRISE FUNDS                               |                                    |                   |
|   | <u>FOOD SERVICE</u><br><u>SCHOOL NUTRITION</u> | <u>SUMMER</u><br><u>ENRICHMENT</u> | <u>TOTAL</u>      |
| <b>OPERATING REVENUES:</b>                |  |                                    |                   |
| Charges for services:                     |  |                                    |                   |
| Daily sales - non-reimbursable programs   | \$ 166,219.94                                  | \$                                 | \$ 166,219.94     |
| Miscellaneous                             | 74,158.09                                      |                                    | 74,158.09         |
| Other fees                                |  | 188,567.00                         | 188,567.00        |
|   | <hr/>  | <hr/>                              | <hr/>             |
| Total operating revenues                  | \$ 240,378.03                                  | \$ 188,567.00                      | \$ 428,945.03     |
| <b>OPERATING EXPENSES:</b>                |  |                                    |                   |
| Cost of sales - reimbursable programs     | \$ 759,406.27                                  | \$                                 | \$ 759,406.27     |
| Cost of sales - non-reimbursable programs | 135,946.74                                     |                                    | 135,946.74        |
| Salaries                                  | 496,965.03                                     | 188,883.85                         | 685,848.88        |
| Employee benefits                         | 146,194.90                                     | 9,539.14                           | 155,734.04        |
| Other purchased services                  | 112,320.00                                     | 93.28                              | 112,413.28        |
| Supplies and materials                    | 151,228.13                                     | 360.88                             | 151,589.01        |
| Cleaning, repair and maintenance services | 254,468.82                                     |                                    | 254,468.82        |
| Depreciation                              | 39,670.91                                      |                                    | 39,670.91         |
|   | <hr/>  | <hr/>                              | <hr/>             |
| Total operating expenses                  | \$ 2,096,200.80                                | \$ 198,877.15                      | \$ 2,295,077.95   |
| Operating income (loss)                   | \$ (1,855,822.77)                              | \$ (10,310.15)                     | \$ (1,866,132.92) |
| <b>NONOPERATING REVENUES (EXPENSES):</b>  |  |                                    |                   |
| State sources                             |  |                                    |                   |
| State school lunch program                | \$ 44,509.19                                   | \$                                 | \$ 44,509.19      |
| Federal sources                           |  |                                    |                   |
| National school lunch program             | 1,901,348.78                                   |                                    | 1,901,348.78      |
| National school breakfast program         | 683,595.31                                     |                                    | 683,595.31        |
| National food distribution commodities    | 44,860.79                                      |                                    | 44,860.79         |
| P-EBT Administrative Fee                  | 628.00   |                                    | 628.00            |
| Interest                                  |  | 152.17                             | 152.17            |
|   | <hr/>  | <hr/>                              | <hr/>             |
| Total nonoperating revenues               | \$ 2,674,942.07                                | \$ 152.17                          | \$ 2,675,094.24   |
| Change in Net Position                    | \$ 819,119.30                                  | \$ (10,157.98)                     | \$ 808,961.32     |
| Total net position - beginning            | 341,169.39                                     | 132,259.74                         | 473,429.13        |
| Total net position - ending               | \$ 1,160,288.69                                | \$ 122,101.76                      | \$ 1,282,390.45   |

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

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|   | <u>BUSINESS TYPE ACTIVITIES -</u><br><u>ENTERPRISE FUNDS</u> |                                    | <u>TOTAL</u>             |
|---|--|------------------------------------|--------------------------|
|   | <u>FOOD</u><br><u>SERVICE</u>                                | <u>SUMMER</u><br><u>ENRICHMENT</u> |                          |
| Cash flows from operating activities:   |  |                                    |                          |
| Receipts from customers   | \$ 212,639.89  | \$ 241,945.00                      | \$ 454,584.89            |
| Payments to employees   | (496,965.03)   | (188,883.85)                       | (685,848.88)             |
| Payments to employee benefits   | (146,194.90)   | (9,539.14)                         | (155,734.04)             |
| Payment to suppliers  | <u>(1,380,444.22)</u>  | <u>(2,364.16)</u>                  | <u>(1,382,808.38)</u>    |
| Net cash provided (used for) by operating activities  | <u>\$ (1,810,964.26)</u>                                     | <u>\$ 41,157.85</u>                | <u>\$ (1,769,806.41)</u> |
| Cash flows from noncapital financing activities:  |  |                                    |                          |
| State Sources   | \$ 41,968.91   | \$                                 | \$ 41,968.91             |
| Federal Sources   | <u>2,426,048.84</u>  | <u></u>                            | <u>2,426,048.84</u>      |
| Net cash provided by (used for) noncapital financing activities                                   | <u>\$ 2,468,017.75</u>                                       | <u>\$</u>                          | <u>\$ 2,468,017.75</u>   |
| Cash flows from investing activities  |  |                                    |                          |
| Interest and dividends  | <u>\$</u>  | <u>\$ 152.17</u>                   | <u>\$ 152.17</u>         |
| Net cash used for capital and related financing activities  | <u>\$</u>  | <u>\$ 152.17</u>                   | <u>\$ 152.17</u>         |
| Net increase (decrease) in cash and cash equivalents  | \$ 657,053.49  | \$ 41,310.02                       | \$ 698,363.51            |
| Cash and cash equivalents- July 1   | <u>90,818.13</u>   | <u>306,903.95</u>                  | <u>397,722.08</u>        |
| Cash and cash equivalents- June 30  | <u>\$ 747,871.62</u>   | <u>\$ 348,213.97</u>               | <u>\$ 1,096,085.59</u>   |
| Operating income (loss)   | \$ (1,855,822.77)  | \$ (10,310.15)                     | \$ (1,866,132.92)        |
| Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities: |  |                                    |                          |
| Depreciation  | 39,670.91  |                                    | 39,670.91                |
| Change in assets and liabilities:   |  |                                    |                          |
| (Increase) Decrease in inventory  | 32,925.74  |                                    | 32,925.74                |
| (Increase) Decrease in other accounts receivable  | (5,146.43)   |                                    | (5,146.43)               |
| (Increase) Decrease in prepaid expenses   |  | (1,910.00)                         | (1,910.00)               |
| Increase (Decrease) in unearned revenue   | <u>(22,591.71)</u>   | <u>53,378.00</u>                   | <u>30,786.29</u>         |
| Net cash provided (used) by operating activities  | <u>\$ (1,810,964.26)</u>                                     | <u>\$ 41,157.85</u>                | <u>\$ (1,769,806.41)</u> |

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

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

The Township of Montgomery School District is a Type II District located in Somerset County, New Jersey. The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a nine member board elected to three-year terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component unit, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools through high school Grades K thru 12, located in the Township of Montgomery. 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.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

The District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

*District-wide Statements:* The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and 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 requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as generally revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

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

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Types**

**General Fund** - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state 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 revenues. 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 Expense by board resolution.

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

**Capital Projects Fund** - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (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** - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.



**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Proprietary Fund Types**

**Enterprise Fund** - The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The district also considers the operations of the Summer Enrichment program as enterprise funds.

**Basis of Accounting - Measurement Focus**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

*District-wide and Proprietary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Governmental Fund Financial Statements:** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases and installment purchases are reported as other financing sources.

All governmental and business type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April 2013 school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. 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. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2022 totaled \$248,000.00, representing emergency reserve funds being utilized. All budget amounts presented in the accompanying supplementary information reflect the original budget and the final budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated recognition of one or more state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Encumbrance Accounting**

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 assignments of 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 revenues at fiscal year end.

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

**Interfunds**

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

**Inventories and Prepaid Expenses**

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

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

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

| <b><u>Asset Class</u></b>     | <b><u>Estimated Useful Lives</u></b> |
|-------------------------------|--------------------------------------|
| School Buildings              | 50                                   |
| Building Improvements         | 20                                   |
| Electrical/Plumbing           | 30                                   |
| Vehicles                      | 8                                    |
| Office and Computer Equipment | 5-10                                 |
| Instructional Equipment       | 10                                   |
| Ground Equipment              | 15                                   |

**Compensated Absences**

The District accounts for compensated absences (e.g., unused sick days) 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.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences (Continued)**

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

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick days that are expected to become eligible for payment upon retirement. The District estimates its accrued compensated absences liability based on the accumulated sick days at the balance sheet date by those employees who are currently eligible to receive retirement payments.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

**Fund Equity**

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designations of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unreserved fund balances represent the amount available for future budgetary operations.

Unrestricted retained earnings represent the remains of the District's equity in the cumulative earnings of the food service fund.

**Unearned Revenue**

Unearned revenue in the special revenue and proprietary funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable practice under generally accepted accounting principles.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the district-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long term debt is recognized as a liability on the fund financial statements when due.

**Net Position**

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**Fund Balance – Governmental Funds**

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

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

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Emergency Reserve, Maintenance Reserve, Student Activities, Scholarships, Unemployment and Excess Surplus as Restricted Fund Balance.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education. The District reports amounts Designated for Capital Project Fund encumbrances as Committed Fund Balance.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance – Governmental Funds (Continued)**

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances and Designated for Subsequent Years Expenditures as Assigned Fund Balance.

Unassigned – is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

**Revenues Exchange and Non-Exchange Transactions**

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

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues Exchange and Non-Exchange Transactions (Continued)**

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

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal yearend: property taxes available as an advance, interest, and tuition.

**Proprietary Fund Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Allocation of Indirect Expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.



**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Extraordinary and Special Items**

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**Management Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**Accounting and Financial Reporting for Pensions**

In the district-wide financial statements 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 District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, the year-end pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1<sup>st</sup> of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The governmental fund financial statements reflect both a revenue and expense for this pension contribution.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, deferred amounts related to loss on refunding bonds and to pensions.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

**Recently Adopted Accounting Pronouncements**

Beginning with the year ended June 30, 2022, the District has implemented GASB Statement 87, *Leases*. GASB Statement 87 establishes criteria for accounting and financial reporting for leases. It creates a single model for lease accounting and requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. A Lessee is required to recognize a lease liability and an intangible right to use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Board considers petty cash, change funds, cash in banks and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

**Deposits**

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Township of Montgomery School District had the following cash and cash equivalents at June 30, 2022:

|                    | <u>Cash in<br/>Bank</u> | <u>Reconciling<br/>Items</u> | <u>Reported<br/>Total</u> |
|--------------------|-------------------------|------------------------------|---------------------------|
| Governmental Funds | \$ 28,363,084.68        | (1,910,597.02)               | \$ 26,452,487.66          |
| Proprietary Fund   | 1,263,363.23            | (167,277.64)                 | 1,096,085.59              |
|                    | <u>\$ 29,626,447.91</u> | <u>(2,077,874.66)</u>        | <u>\$ 27,548,573.25</u>   |

**Custodial Credit Risk – Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2022, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$29,126,447.91 was covered under the provisions of NJGUDPA.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments**

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type 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 which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

8. Agreements for the repurchase of fully collateralized securities if:
- a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2022, the District had no outstanding investments.

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 3: CHANGE IN CAPITAL ASSETS**

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

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>      | <u>Transfer</u>        | <u>Ending<br/>Balance</u> |
|---|------------------------------|-----------------------|------------------------|---------------------------|
| Governmental activities:                      |                              |                       |                        |                           |
| Capital assets that are not depreciated:      |                              |                       |                        |                           |
| Land  | \$ 6,760,785                 | \$                    | \$                     | \$ 6,760,785              |
| Construction in progress                      | 16,179,288                   | _____                 | (16,179,288)           | _____                     |
| Total capital assets that are not depreciated | <u>\$ 22,940,073.16</u>      | <u>\$ _____</u>       | <u>\$ (16,179,288)</u> | <u>\$ 6,760,785</u>       |
| Capital assets being depreciated:             |                              |                       |                        |                           |
| Site improvements                             | \$ 11,313,726                | \$                    | \$                     | \$ 11,313,726             |
| Building and building improvements            | 135,208,175                  | 248,067               | 16,140,220             | 151,596,463               |
| Machinery and equipment                       | 14,625,219                   | 498,724               | 39,068                 | 15,163,011                |
| Total capital assets being depreciated        | <u>\$ 161,147,120</u>        | <u>\$ 746,791</u>     | <u>\$ 16,179,288</u>   | <u>\$ 178,073,200</u>     |
| Total gross assets                            | <u>\$ 184,087,194</u>        | <u>\$ 746,791</u>     | <u>\$ _____</u>        | <u>\$ 184,833,985</u>     |
| Less: accumulated depreciation for:           |                              |                       |                        |                           |
| Site improvements                             | \$ (7,321,779)               | \$ (462,618)          | \$                     | \$ (7,784,397)            |
| Building and building improvements            | (67,694,985)                 | (4,293,393)           | _____                  | (71,988,378)              |
| Machinery and equipment                       | (10,658,494)                 | (953,023)             | _____                  | (11,611,517)              |
|   | <u>\$ (85,675,258)</u>       | <u>\$ (5,709,034)</u> | <u>\$ _____</u>        | <u>\$ (91,384,292)</u>    |
| Governmental activities capital assets, net   | <u>\$ 98,411,936</u>         | <u>\$ (4,962,243)</u> | <u>\$ _____</u>        | <u>\$ 93,449,693</u>      |
| Business type activities:                     |                              |                       |                        |                           |
| Machinery and equipment                       | \$ 1,301,062                 | \$                    | \$                     | \$ 1,301,062              |
| Less: accumulated depreciation                | (1,047,798)                  | (39,671)              | _____                  | (1,087,469)               |
| Proprietary fund capital assets, net          | <u>\$ 253,264</u>            | <u>\$ (39,671)</u>    | <u>\$ _____</u>        | <u>\$ 213,593</u>         |

Depreciation was charged to the following expense functions of the district:

|  |                     |
|--|---------------------|
| Instruction:   |                     |
| Regular  | \$ 2,962,813        |
| Special  | 275,848             |
| Other  | 14,303              |
| Support Services:                                    |                     |
| Student and Instruction related services             | 132,816             |
| School Administration                                | 357,581             |
| General Administration                               | 449,530             |
| Plant operations & maintenance                       | 187,985             |
| Transportation                                       | 1,225,992           |
| Direct Expense of various functions                  | 102,166             |
| Total Depreciation Expenses, Governmental Activities | <u>\$ 5,709,034</u> |

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 4: LONG-TERM LIABILITIES**

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2022:

Governmental Funds:

|                               | Balance<br>June 30,<br><u>2021</u> | <u>Additions</u>     | <u>Reductions</u>       | Balance<br>June 30,<br><u>2022</u> | Amounts Due<br>Within<br><u>One Year</u> |
|-------------------------------|------------------------------------|----------------------|-------------------------|------------------------------------|--|
| Bonds Payable                 | \$49,787,000.00                    |                      | \$5,290,000.00          | \$44,497,000.00                    | \$5,510,000.00                           |
| Unamortized Bond Premium      | 3,422,421.29                       |                      | 489,357.88              | 2,933,063.41                       | 489,357.88                               |
| Installment Purchases Payable | 3,711,017.78                       | \$200,670.00         | 1,477,260.35            | 2,434,427.43                       | 1,303,850.17                             |
| Compensated Absences          | 913,558.63                         | 146,558.64           |                         | 1,060,117.27                       |  |
| Net Pension Liability         | <u>20,472,406.00</u>               | -                    | <u>5,047,337.00</u>     | <u>15,425,069.00</u>               | -  |
|                               | <u>\$ 78,306,403.70</u>            | <u>\$ 347,228.64</u> | <u>\$ 12,303,955.23</u> | <u>\$ 66,349,677.11</u>            | <u>\$ 7,303,208.05</u>                   |

**Installment Purchases**

The Board has entered into several installment purchase agreements for copier equipment, technology and school buses. The agreements are for terms up to five years. Future annual debt service payments on installment purchases as of June 30, 2022, including interest, are as follows:

| Fiscal Year<br>Ended<br>June 30, | <u>Principal</u>       | <u>Interest</u>     | <u>Total</u>           |
|----------------------------------|------------------------|---------------------|------------------------|
| 2023                             | \$ 1,303,850.17        | \$ 58,118.12        | \$ 1,361,968.29        |
| 2024                             | 1,049,681.00           | 20,373.55           | 1,070,054.55           |
| 2025                             | 40,173.53              | 1,105.92            | 41,279.45              |
| 2026                             | <u>40,722.73</u>       | <u>556.72</u>       | <u>41,279.45</u>       |
|                                  | <u>\$ 2,434,427.43</u> | <u>\$ 80,154.31</u> | <u>\$ 2,514,581.74</u> |

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 4: LONG-TERM DEBT (CONTINUED)**

The annual requirements to amortize all debt outstanding as of June 30, 2022, including interest payments on issued debt, are as follows:

| Fiscal Year<br>Ended<br><u>June 30,</u> | <u>Principal</u>        | <u>Interest</u>        | <u>Total</u>            |
|---|-------------------------|------------------------|-------------------------|
| 2023                                    | \$ 5,510,000.00         | \$ 1,669,522.50        | \$ 7,179,522.50         |
| 2024                                    | 5,675,000.00            | 1,428,772.50           | 7,103,772.50            |
| 2025                                    | 6,245,000.00            | 1,179,647.50           | 7,424,647.50            |
| 2026                                    | 5,000,000.00            | 947,272.50             | 5,947,272.50            |
| 2027                                    | 4,150,000.00            | 766,647.50             | 4,916,647.50            |
| 2028                                    | 4,295,000.00            | 604,147.50             | 4,899,147.50            |
| 2029                                    | 4,410,000.00            | 462,347.50             | 4,872,347.50            |
| 2030                                    | 4,540,000.00            | 315,947.50             | 4,855,947.50            |
| 2031                                    | <u>4,672,000.00</u>     | <u>162,472.50</u>      | <u>4,834,472.50</u>     |
|   | \$ <u>44,497,000.00</u> | \$ <u>7,536,777.50</u> | \$ <u>52,033,777.50</u> |



**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 4: LONG-TERM DEBT (CONTINUED)**

The Bonds Issued and Outstanding at year end are comprised of the following issues:

|  |                         |
|--|-------------------------|
| \$18,502,000 of 2016 bonds due in remaining annual installments of \$1,200,000 to \$1,600,000 through April 2031 at interest rates of 2% to 2.375%       | \$ 13,002,000.00        |
| \$33,695,000 of 2017 Refunding bonds due in remaining annual installments of \$2,165,000 to \$3,170,000 through April 2031 at interest rates of 4% to 5% | 23,930,000.00           |
| \$9,650,000 of 2021 Refunding bonds due in remaining annual installments of \$975,000 to \$2,250,000 through August 2025 at interest rates of 5%         | <u>7,565,000.00</u>     |
|  | <u>\$ 44,497,000.00</u> |

Under New Jersey Statutes the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2022, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

| <u>Year</u>   | <u>Equalized Valuation<br/>of Real Property</u> |
|---|---|
| 2021  | \$5,101,180,071.00                              |
| 2020  | 4,917,151,568.00                                |
| 2019  | 4,970,020,936.00                                |
|   | <u>\$14,988,352,575.00</u>                      |
| Average equalized valuation of property                                     | \$4,996,117,525.00                              |
| School borrowing margin<br>(4% of \$4,917,857,474.00)                       | \$199,844,701.00                                |
| Net bonded school debt and authorized but<br>not issued as of June 30, 2022 | <u>44,497,000.00</u>                            |
| School borrowing power available  | <u>\$155,347,701.00</u>                         |

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 5: PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Defined Contribution Retirement Program (DCRP)** - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Significant Legislation**

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

**Pension Plan Design Changes**

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

**Funding Changes**

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

**COLA Suspension**

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

**Vesting and Benefit Provisions** The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Contribution Requirements** The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (*i.e.*, the State of new Jersey makes the employer contribution on behalf of public school districts.

**PERS Contribution Requirements**

| <u>Year</u><br><u>June 30,</u> | <u>Annual Pension</u><br><u>Cost (APC)</u> | <u>Percentage of</u><br><u>APC Contributed</u> | <u>Net Pension</u><br><u>Obligation</u> |
|--------------------------------|--|--|---|
| 2022                           | \$ 1,524,885.00                            | 100.00%  | \$ 1,524,885.00                         |
| 2021                           | 1,373,352.00                               | 100.00%  | 1,373,352.00                            |
| 2020                           | 1,209,359.00                               | 100.00%  | 1,209,359.00                            |

During the fiscal years ended June 30, 2022, 2021 and 2020, the State of New Jersey contributed \$14,789,713.00, \$9,878,123.00 and \$7,626,441.00, respectively to the TPAF pension system on behalf of the District.

In accordance with N.J.S.9. 18A:66-66 during the years ended June 30, 2022, 2021 and 2020, the State of New Jersey reimbursed the District \$2,959,070.65, \$2,892,639.22 and \$2,873,686.93, respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the governmental fund statements and schedules as a revenue and expenditure in accordance with GASB 68.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**

**Public Employees Retirement System (PERS)**

At June 30, 2022, the District reported a liability of \$15,425,069.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.1302078280 percent, which was an increase of 0.0046671224 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension benefit of \$1,618,467.00 in the district-wide financial statements. This pension benefit was based on the pension plans June 30, 2021 measurement date.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

|   | <u>Deferred<br/>Outflow of<br/>Resources</u> | <u>Deferred<br/>Inflow of<br/>Resources</u> |
|---|--|---|
| Differences between expected and actual experience  | \$ 243,273.00                                | \$ 110,425.00                               |
| Changes of assumptions  |  | 5,491,425.00                                |
| Net difference between projected and actual earnings on pension plan investments                              | 80,334.00                                    | 4,063,369.00                                |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 1,299,336.00                                 | 77,209.00                                   |
| District contributions subsequent to the measurement date   | <u>1,616,582.00</u>                          | <u>                                    </u> |
|   | <u>\$ 3,239,525.00</u>                       | <u>\$ 9,742,428.00</u>                      |

The \$1,616,582.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Public Employees Retirement System (PERS) (Continued)**

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

| <u>Year Ended</u><br><u>June 30,</u> | <u>Amount</u>           |
|--------------------------------------|-------------------------|
| 2022                                 | (\$3,395,219.60)        |
| 2023                                 | (2,354,272.60)          |
| 2024                                 | (1,527,443.60)          |
| 2025                                 | (1,087,493.60)          |
| 2026                                 | 244,944.40              |
|                                      | <u>(\$8,119,485.00)</u> |

**Actuarial Assumptions**

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. These actuarial valuations used the following assumptions:

|                           |                           |
|---------------------------|---------------------------|
| Inflation rate:           |                           |
| Price                     | 2.75%                     |
| Wage                      | 3.25%                     |
| Salary Increases:         |                           |
| Through 2026              | 2.00%-6.00%               |
|                           | Based on Years of Service |
| Thereafter                | 3.00%-7.00%               |
|                           | Based on Years of Service |
| Investment Rate of Return | 7.00%                     |

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Public Employees Retirement System (PERS) (Continued)**

**Actuarial Assumptions (Continued)**

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

**Long-Term Rate of Return**

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

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

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Public Employees Retirement System (PERS) (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

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

|  | 1%<br>Decrease<br><u>6.00%</u> | At Current<br>Discount Rate<br><u>7.00%</u> | 1%<br>Increase<br><u>8.00%</u> |
|--|--------------------------------|---|--------------------------------|
| District's proportionate share<br>of the pension liability | \$21,005,816.00                | \$15,425,069.00                             | \$10,689,014.00                |

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 by visiting <http://www.state.nj.us/treasury/pensions>.



**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF)**

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2022 was as follows:

|   |                      |
|---|----------------------|
| Net Pension Liability:                                      |                      |
| Districts proportionate share                               | -0-                  |
| State's proportionate share<br>associated with the District | <u>\$163,368,560</u> |
|   | <u>\$163,368,560</u> |

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 which was rolled forward to June 30, 2021. The net pension liability associated with the District 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 school districts and the State, actuarially determined. At June 30, 2021, the proportion of the TPAF net pension liability associated with the District was .3398188651% which was a decrease of .0017608919 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue of \$3,844,134.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2021 measurement date.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions**

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

|                           |                           |
|---------------------------|---------------------------|
| Inflation rate:           |                           |
| Price                     | 2.75%                     |
| Wage                      | 3.25%                     |
| Salary Increases:         |                           |
| Through 2026              | 1.55%-4.45%               |
|                           | Based on Years of Service |
| Thereafter                | 2.75%-5.65%               |
|                           | Based on Years of Service |
| Investment Rate of Return | 7.00%                     |

**Mortality Rate**

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions (Continued)**

**Long-Term Expected Rate of Return (Continued)**

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

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

**Discount Rate**

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

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 by visiting <http://www.state.nj.us/treasury/pensions>

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS – GASB 75**

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Employees Covered by Benefit Terms**

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

|  |                |
|--|----------------|
| Active Plan Members                    | 213,901        |
| Inactive Plan Members or Beneficiaries |                |
| Currently Receiving Benefits           | 150,427        |
| Inactive Plan Members or Beneficiaries |                |
| Not Yet Receiving Benefits             | <u>- 0 -</u>   |
| Total Plan Members                     | <u>364,328</u> |

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Total Non-Employer OPEB Liability**

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2022 was as follows:

|  |               |
|--|---------------|
| Total OPEB Liability:                                    |               |
| District's Proportionate Share                           | \$-0-         |
| State's Proportionate Share associated with the District | 174,349,306   |
|  | 174,349,306   |
|  | \$174,349,306 |

The total Non-Employer OPEB Liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

The total Non-Employer OPEB Liability was determined separately based on actual data of the District.

For the year ended June 30, 2022, the District recognized on-behalf post-employment expense and revenue of \$13,778,221.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2021 measurement date.

At June 30, 2021, the District's proportion was 0.2905451275 percent, which was an increase of .0092243013 from its proportion measured as of June 30, 2020.

The State, a Non-Employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Actuarial Assumptions and Other Inputs**

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

|                  | <u>June 30, 2021</u> |             |                |
|------------------|----------------------|-------------|----------------|
|                  | <u>TPAF/ABP</u>      | <u>PERS</u> | <u>PFRS</u>    |
| Inflation – 2.5% |                      |             |                |
| Salary Increases |                      |             |                |
| Through 2026     | 1.55-4.45%*          | 2.00-6.00%* | 3.25-15.25%*   |
| Thereafter       | 2.75-5.65%*          | 3.00-7.00%* | Not Applicable |

\*- Based on Years of Service

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

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

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Health Care Trend Assumptions**

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

**Discount Rate**

The discount rate for June 30, 2021 and June 30, 2020 was 2.16% and 2.21% respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.



**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Changes in the Total Non-Employer OPEB Liability**

Shown below are details regarding The total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2020 to June 30, 2021.

|  |                    |                      |
|--|--------------------|----------------------|
| Balance at 6/30/20                                 |                    | \$190,763,547        |
| Changes for the year:                              |                    |                      |
| Service cost                                       | \$10,978,147       |                      |
| Interest   | 4,522,805          |                      |
| Changes of Benefit Terms                           | (185,574)          |                      |
| Differences between expected and actual experience | (28,454,551)       |                      |
| Changes in assumptions or other inputs             | 172,009            |                      |
| Membership Contributions                           | 115,626            |                      |
| Benefit payments - Net                             | <u>(3,562,703)</u> |                      |
| Net changes  |                    | <u>(16,414,241)</u>  |
| Balance at 6/30/21                                 |                    | <u>\$174,349,306</u> |

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate**

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

|   | June 30, 2021                           |   |   |
|---|---|---|---|
|   | <u>1.00%</u><br><u>Decrease (1.16%)</u> | <u>At Discount</u><br><u>Rate (2.16%)</u> | <u>1.00%</u><br><u>Increase (3.16%)</u> |
| State of New Jersey's<br>Proportionate Share of<br>the total Non-Employer<br>OPEB Liability associated<br>with the District | \$208,843,098                           | \$174,349,306                             | \$147,187,515                           |

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Trends**

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

|   | <u>1.00%</u><br><u>Decrease</u> | <u>June 30, 2021</u><br>Healthcare Cost<br><u>Trend Rate</u> | <u>1.00%</u><br><u>Increase</u> |
|---|---------------------------------|--|---------------------------------|
| State of New Jersey's<br>Proportionate Share of<br>the total Non-Employer<br>OPEB Liability associated<br>with the District | \$141,136,330                   | \$174,349,306  | \$218,951,879                   |

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability**

At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

|   | <u>Deferred</u><br><u>Outflow of</u><br><u>Resources</u> |    | <u>Deferred</u><br><u>Inflow of</u><br><u>Resources</u> |
|---|--|----|---|
| Differences between expected<br>and actual experience | \$ 26,282,384  | \$ | 52,325,327  |
| Changes of assumptions                                | 29,576,149   |    | 18,706,056  |
| Changes in proportion                                 | 14,016,785   |    |   |
|   | <u>\$ 69,875,318</u>                                     | \$ | <u>71,031,383</u>                                       |

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability associated with the District will be recognized in OPEB expense as follows:

| Measurement<br>Period Ended<br><u>June 30,</u> | <u>Amount</u> |
|--|---------------|
| 2022   | (\$631,767)   |
| 2023   | (\$631,767)   |
| 2024   | (\$631,767)   |
| 2025   | (\$631,767)   |
| 2026   | \$361,031     |
| Total  |               |
| Thereafter                                     | \$1,009,972   |
|  | (\$1,156,065) |

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

**State Health Benefit Local Education Retired Employee Plan Information**

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at:

<http://www.state.nj.us/treasury/pensions/gasb-notice-opeb.shtml>

**NOTE 8: LITIGATION**

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 9: CONTINGENCIES**

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2021-2022 fiscal year were subject to the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

**NOTE 10: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The District maintains commercial coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**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 table is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the combined ending balance of the District's Unemployment Compensation Claims Payable and Unemployment Restricted Fund Balance for the current and previous two years:

| <u>Fiscal Year</u> | <u>Interest Earned</u> | <u>Board &amp; Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|------------------------|---|--------------------------|-----------------------|
| 2021-22            | \$ 1,107.54            | \$ 240,608.30                             | \$ 169,988.44            | \$ 855,400.72         |
| 2020-21            | 1,187.34               | 236,763.71                                | 184,866.04               | 783,673.32            |
| 2019-20            | 5,125.69               | 169,031.81                                | 123,871.90               | 730,588.31            |

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 10: RISK MANAGEMENT (CONTINUED)**

**Self-Insurance Plans** The District has established medical, prescription and dental benefit self-insurance plans (the Plans). Transactions related to the Plans are accounted for in the General Fund.

Horizon-BCBSNJ administers broker payment on the District's behalf to the commissioned broker of the Plans, Brown & Brown Benefit Advisors. At June 30, 2022, total unpaid claims, including an estimate of claims that have been incurred but not yet reported (IBNR) to the administrative agent, totaled \$1,190,200.00 for the Plans. The IBNR liability has been calculated by the District based on actual enrollment, the statute of limitations in reporting a claim, and actual claims reported.

**NOTE 11: FUND BALANCE APPROPRIATED – GAAP BASIS**

**General Fund** - Of the \$24,031,286.46 in General Fund Balance at June 30, 2022, \$652,255.34 has been assigned for year-end encumbrances; \$6,718,278.22 has been restricted in the Capital Reserve Account; \$3,000,000.00 has been restricted as maintenance reserve; \$274,983.39 has been restricted as Emergency Reserve; \$1,691.96 has been assigned for designated for subsequent year's expenditures; \$3,809,656.00 has been restricted as excess surplus resulting from the year ended June 30, 2021; \$3,799,489.76 has been restricted as excess surplus resulting from the year ended June 30, 2022; \$732,883.19 has been restricted for unemployment claims and \$5,042,048.60 is unassigned.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 12: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

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 reserve General 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 years' budget. Based on the calculation, the Montgomery School District has \$3,799,489.76 excess fund balance resulting from the year ended June 30, 2022.

|   |                  |
|---|------------------|
| General Fund Expenditures<br>Fiscal Year Ended June 30, 2022  | \$109,914,094.64 |
| Less:   |                  |
| On-behalf TPAF Pension and Social Security Reimbursement<br>and assets acquired under installment purchases | 21,410,704.65    |
| Adjusted General Fund Expenditures  | 88,503,389.99    |
| Excess Surplus Percentage   | 4.00%            |
| 4% of Adjusted 2021-22 General Fund Expenditures  | 3,540,135.60     |
| Add: Allowable Adjustments  | 2,063,451.00     |
| Maximum Unreserved/Undesignated Fund Balance  | 5,603,586.60     |
| Actual Unassigned/Undesignated Fund Balance   | 9,403,076.36     |
| Excess Surplus  | \$3,799,489.76   |

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 13: CAPITAL RESERVE ACCOUNT**

A capital reserve account was originally established by the Township of Montgomery School District by inclusion of \$100.00 on September 25, 2000, 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 department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. 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), 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 year ending June 30, 2022 is as follows:

|                                   |                 |                              |
|-----------------------------------|-----------------|------------------------------|
| Beginning balance, July 1, 2021   |                 | \$5,563,677.66               |
| Increased by:                     |                 |                              |
| Board resolution dated 06/14/2022 | \$1,700,000.00  |                              |
| Interest                          | <u>4,600.56</u> |                              |
|                                   |                 | <u>1,704,600.56</u>          |
|                                   |                 | <u>\$7,268,278.22</u>        |
| Decreased by:                     |                 |                              |
| Utilized in adopted budget        |                 | <u>550,000.00</u>            |
| Ending balance, June 30, 2022     |                 | <u><u>\$6,718,278.22</u></u> |

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 14: MAINTENANCE RESERVE**

In accordance with N.J.S.A. 18A:7G-13, a Maintenance reserve account was established by the District. The Maintenance reserve account is maintained in the general fund.

A district board of education or board of school estimate, as appropriate, may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes.

A district board of education or board of school estimate, as appropriate, may by resolution withdraw such funds from the maintenance reserve account and appropriate into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4.

The district board of education shall ensure that the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the district board of education shall reserve and designate such excess in the subsequent year's budget.

The activity of the maintenance reserve for the year ending June 30, 2022 is as follows:

|                                   |                              |
|-----------------------------------|------------------------------|
| Beginning balance, July 1, 2021   | \$2,500,000.00               |
| Increased by:                     |                              |
| Board resolution dated 06/14/2022 | 600,000.00                   |
|                                   | <u>\$3,100,000.00</u>        |
| Decreased by:                     |                              |
| Utilized in adopted budget        | 100,000.00                   |
|                                   | <u>100,000.00</u>            |
| Ending balance, June 30, 2022     | <u><u>\$3,000,000.00</u></u> |



**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 15: EMERGENCY RESERVE**

An emergency reserve was established by the Township of Montgomery School District for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The emergency reserve account is used to fund unanticipated general fund current expense costs and may be established to supplement the reserve in the district's annual budget or through a transfer by board resolution at year end of any unanticipated revenue and unexpended line item appropriation amounts in accordance with N.J.S.A. 18A:7F-41.

The activity of the emergency reserve for the year ending June 30, 2022 is as follows:

|                       |              |
|-----------------------|--------------|
| Balance June 30, 2021 | \$274,983.27 |
| Increased by:         |              |
| Interest earned       | 0.12         |
| Balance June 30, 2022 | \$274,983.39 |

**NOTE 16: DEFERRED COMPENSATION**

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans 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. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2022.

**Township of Montgomery School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 17: INVENTORY**

Inventory in the Food Service Fund at June 30, 2022 consisted of the following:

Food and Supplies      \$21,301.48

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**NOTE 18: INTERFUND RECEIVABLES AND PAYABLES**

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

| <u>Fund</u>           | <u>Interfund<br/>Receivable</u> | <u>Interfund<br/>Payable</u> |
|-----------------------|---------------------------------|------------------------------|
| General Fund          | \$414,406.43                    |                              |
| Special Revenue Fund  |                                 | \$182,442.53                 |
| Capital Projects Fund |                                 | 240,985.78                   |
| Debt Service Fund     | <u>9,021.88</u>                 |                              |
|                       | <u>\$423,428.31</u>             | <u>\$423,428.31</u>          |

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

**NOTE 19: SUBSEQUENT EVENTS**

The District has evaluated subsequent events occurring after the financial statement date through February 17, 2023, which is the date the financial statements were available to be issued. Based upon this evaluation, the District has determined that no subsequent events needed to be disclosed.

**REQUIRED SUPPLEMENTARY INFORMATION - Part II**

**BUDGETARY COMPARISON SCHEDULES**

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

|  | ORIGINAL BUDGET        | BUDGET TRANSFERS/<br>AMENDMENTS | FINAL BUDGET           | ACTUAL                  | VARIANCE<br>FINAL TO ACTUAL |
|--|------------------------|---------------------------------|------------------------|-------------------------|-----------------------------|
| <b>REVENUES:</b>   |                        |                                 |                        |                         |                             |
| Local sources:   |                        |                                 |                        |                         |                             |
| Local tax levy   | \$81,290,772.00        |                                 | \$81,290,772.00        | \$81,290,772.00         | \$0.12                      |
| Interest earned on emergency reserve funds               |                        |                                 | 250.00                 | 4,600.56                | 4,350.56                    |
| Interest earned on capital reserve funds                 | 250.00                 |                                 | 250.00                 | 4,600.56                | 4,350.56                    |
| Tuition from Individuals                                 | 135,278.00             |                                 | 135,278.00             | 193,166.23              | 57,888.23                   |
| Tuition from other LEA's                                 | 21,072.00              |                                 | 21,072.00              | (21,072.00)             | (21,072.00)                 |
| Other restricted miscellaneous                           |                        |                                 | 1,107.54               | 1,107.54                | 1,107.54                    |
| Unrestricted miscellaneous                               | 670,520.00             |                                 | 670,520.00             | 479,554.55              | (190,965.45)                |
| <b>Total revenues-local sources</b>                      | <b>82,117,892.00</b>   |                                 | <b>82,117,892.00</b>   | <b>81,969,201.00</b>    | <b>(148,691.00)</b>         |
| State sources:   |                        |                                 |                        |                         |                             |
| Categorical special education aid                        | 4,077,203.00           |                                 | 4,077,203.00           | 4,077,203.00            |                             |
| Categorical Security Aid                                 | 395,031.00             |                                 | 395,031.00             | 395,031.00              |                             |
| Categorical Transportation Aid                           | 1,389,953.00           |                                 | 1,389,953.00           | 1,389,953.00            |                             |
| Extraordinary aid  | 800,000.00             |                                 | 800,000.00             | 2,854,281.00            | 2,054,281.00                |
| Other state aid  | 100,000.00             |                                 | 100,000.00             | 109,170.00              | 9,170.00                    |
| On-behalf TPAF post retirement medical (non budgeted)    |                        |                                 |                        | 3,455,475.00            | 3,455,475.00                |
| On-behalf TPAF non-contributory insurance (non-budgeted) |                        |                                 |                        | 205,759.00              | 205,759.00                  |
| On-behalf TPAF pension contribution (non-budgeted)       |                        |                                 |                        | 14,583,954.00           | 14,583,954.00               |
| On-behalf long-term disability insurance (non-budgeted)  |                        |                                 |                        | 5,776.00                | 5,776.00                    |
| Reimbursed TPAF social security conf. (non-budgeted)     |                        |                                 |                        | 2,959,070.65            | 2,959,070.65                |
| <b>Total - state sources</b>                             | <b>6,762,187.00</b>    |                                 | <b>6,762,187.00</b>    | <b>30,035,672.65</b>    | <b>23,273,485.65</b>        |
| Federal sources:   |                        |                                 |                        |                         |                             |
| Medicaid Reimbursement (SEMI)                            | 29,472.00              |                                 | 29,472.00              | 17,190.01               | (12,281.99)                 |
| <b>Total - federal sources</b>                           | <b>29,472.00</b>       |                                 | <b>29,472.00</b>       | <b>17,190.01</b>        | <b>(12,281.99)</b>          |
| <b>Total revenues</b>                                    | <b>\$88,909,551.00</b> |                                 | <b>\$88,909,551.00</b> | <b>\$112,022,063.66</b> | <b>\$23,112,512.66</b>      |
| <b>EXPENDITURES</b>                                      |                        |                                 |                        |                         |                             |
| <b>CURRENT EXPENSE:</b>                                  |                        |                                 |                        |                         |                             |
| Instruction - regular programs:                          |                        |                                 |                        |                         |                             |
| Salaries of teachers:                                    |                        |                                 |                        |                         |                             |
| Kindergarten   | \$506,840.00           | (\$92,250.00)                   | \$414,590.00           | \$410,736.12            | \$3,853.88                  |
| Grades 1-5   | 9,666,034.00           | (281,443.00)                    | 9,384,591.00           | 9,256,159.86            | 128,431.14                  |
| Grades 6-8   | 6,213,102.00           | (121,941.00)                    | 6,091,161.00           | 6,074,724.49            | 16,436.51                   |
| Grades 9-12  | 8,720,252.00           | 6,997.20                        | 8,727,249.20           | 8,712,627.17            | 14,622.03                   |
| Home instruction - regular programs:                     |                        |                                 |                        |                         |                             |
| Salaries of teachers                                     | 15,000.00              | 51,548.00                       | 66,548.00              | 66,547.89               | 0.11                        |
| Purchased professional educational services              | \$20,000.00            | (\$1,941.00)                    | \$18,059.00            | \$17,172.50             | \$886.50                    |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

|   | ORIGINAL BUDGET | BUDGET TRANSFERS/ AMENDMENTS | FINAL BUDGET  | ACTUAL        | VARIANCE FINAL TO ACTUAL |
|---|-----------------|------------------------------|---------------|---------------|--------------------------|
| Regular programs - undistributed instruction: |                 |                              |               |               |                          |
| Purchased technical services                  | \$27,600.00     | (\$1,500.00)                 | \$26,100.00   | \$6,040.08    | \$20,059.92              |
| Other purchased services                      | 591,571.00      | (106,579.00)                 | 484,992.00    | 440,526.77    | 44,465.23                |
| General supplies                              | 1,001,186.00    | 31,266.73                    | 1,032,452.73  | 816,342.96    | 216,109.77               |
| Textbooks                                     | 195,898.00      | (35,385.00)                  | 160,513.00    | 140,602.62    | 19,910.38                |
| Other objects                                 | 7,220.00        |                              | 7,220.00      | 1,591.50      | 5,628.50                 |
| Total regular programs                        | 26,964,703.00   | (551,227.07)                 | 26,413,475.93 | 25,943,071.96 | 470,403.97               |
| Special education:                            |                 |                              |               |               |                          |
| Learning and/or language disabilities:        |                 |                              |               |               |                          |
| Salaries of teachers                          | 951,840.00      | (67,868.00)                  | 883,982.00    | 875,465.70    | 8,516.30                 |
| Other salaries for instruction                | 463,750.00      | (29,962.50)                  | 433,787.50    | 400,886.27    | 32,911.23                |
| Other purchased services (400-500 series)     | 600.00          |                              | 600.00        |               | 600.00                   |
| General supplies                              | 14,952.00       |                              | 14,952.00     | 9,159.06      | 5,792.94                 |
| Total learning and/or language disabilities   | 1,431,142.00    | (97,810.50)                  | 1,333,331.50  | 1,285,511.03  | 47,820.47                |
| Visual impairments:                           |                 |                              |               |               |                          |
| Salaries of teachers                          | 71,240.00       | 357.00                       | 71,597.00     | 71,240.00     | 357.00                   |
| Total visual impairments:                     | 71,240.00       | 357.00                       | 71,597.00     | 71,240.00     | 357.00                   |
| Auditory impairments:                         |                 |                              |               |               |                          |
| Purchased professional services               |                 | 8,115.00                     | 8,115.00      | 8,112.58      | 2.42                     |
| Total auditory impairments:                   |                 | 8,115.00                     | 8,115.00      | 8,112.58      | 2.42                     |
| Resource room/resource center:                |                 |                              |               |               |                          |
| Salaries of teachers                          | 5,662,715.00    | (105,187.00)                 | 5,557,528.00  | 5,436,019.30  | 121,508.70               |
| Other salaries for instruction                | 779,247.00      | 7,255.50                     | 786,502.50    | 683,282.63    | 103,219.87               |
| General supplies                              | 16,897.00       | 15.00                        | 16,912.00     | 13,689.00     | 3,223.00                 |
| Total resource room/center                    | 6,458,859.00    | (97,916.50)                  | 6,360,942.50  | 6,132,990.93  | 227,951.57               |
| Autism  |                 |                              |               |               |                          |
| Salaries of teachers                          | 573,655.00      | 78,572.00                    | 652,227.00    | 649,943.60    | 2,283.40                 |
| Other salaries for instruction                | 27,909.00       | (17,777.00)                  | 10,132.00     | 9,648.25      | 483.75                   |
| General supplies                              | 63,561.00       | (3,208.00)                   | 60,353.00     | 59,026.20     | 1,326.80                 |
| Total autism:                                 | 665,125.00      | 57,587.00                    | 722,712.00    | 718,618.05    | 4,093.95                 |
| Preschool disabilities - part time:           |                 |                              |               |               |                          |
| Salaries of teachers                          | 161,137.00      | 2,800.00                     | 163,937.00    | 162,463.34    | 1,473.66                 |
| Other salaries for instruction                | 138,350.00      | (37,328.00)                  | 101,022.00    | 81,942.20     | 19,079.80                |
| General supplies                              | 10,583.00       |                              | 10,583.00     | 10,147.54     | 435.46                   |
| Total preschool disabilities - part time      | \$310,070.00    | (\$34,528.00)                | \$275,542.00  | \$254,553.08  | \$20,988.92              |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

|  | ORIGINAL BUDGET | BUDGET TRANSFERS/<br>AMENDMENTS | FINAL BUDGET    | ACTUAL          | VARIANCE<br>FINAL TO ACTUAL |
|--|-----------------|---------------------------------|-----------------|-----------------|-----------------------------|
| Preschool disabilities - full time:              |                 |                                 |                 |                 |                             |
| Salaries of teachers                             | \$256,690.00    | (\$9,193.00)                    | \$247,497.00    | \$232,863.14    | \$14,633.86                 |
| Other salaries for instruction                   | 88,182.00       | 9,238.00                        | 97,420.00       | 83,439.84       | 13,980.16                   |
| Total preschool disabilities - full time         | 344,872.00      | 45.00                           | 344,917.00      | 316,302.98      | 28,614.02                   |
| Special education - Home Instruction:            |                 |                                 |                 |                 |                             |
| Salaries of teachers                             | 45,000.00       | 46,427.00                       | 91,427.00       | 91,424.62       | 2.38                        |
| Purchased Professional-Educational Services      | 20,000.00       | (2,804.00)                      | 17,196.00       | 10,878.74       | 6,317.26                    |
| Total home instruction                           | 65,000.00       | 43,623.00                       | 108,623.00      | 102,303.36      | 6,319.64                    |
| Total special education                          | 9,346,308.00    | (120,528.00)                    | 9,225,780.00    | 8,889,632.01    | 336,147.99                  |
| Basic skills/remedial:                           |                 |                                 |                 |                 |                             |
| Salaries of teachers                             | 1,509,502.00    | (169,429.80)                    | 1,340,072.20    | 1,247,090.82    | 92,981.38                   |
| General supplies                                 | 6,448.00        |                                 | 6,448.00        | 3,487.24        | 2,960.76                    |
| Total basic skills/remedial                      | 1,515,950.00    | (169,429.80)                    | 1,346,520.20    | 1,250,578.06    | 95,942.14                   |
| Bilingual education:                             |                 |                                 |                 |                 |                             |
| Salaries of teachers                             | 493,080.00      | 9,430.00                        | 502,510.00      | 484,170.15      | 18,339.85                   |
| General supplies                                 | 5,445.00        | 328.00                          | 5,773.00        | 2,764.11        | 3,008.89                    |
| Total bilingual education                        | 498,525.00      | 9,758.00                        | 508,283.00      | 486,934.26      | 21,348.74                   |
| School sponsored cocurricular activities:        |                 |                                 |                 |                 |                             |
| Salaries   | 381,138.00      | 11,420.00                       | 392,558.00      | 354,813.50      | 37,744.50                   |
| Purchased services (300-500 series)              | 4,100.00        | (2,500.00)                      | 1,600.00        | 1,553.00        | 47.00                       |
| Supplies and Materials                           | 116,706.00      | (8,920.00)                      | 107,786.00      | 105,577.90      | 2,208.10                    |
| Other objects                                    | 21,261.00       |                                 | 21,261.00       | 16,599.00       | 4,662.00                    |
| Total school sponsored cocurricular activities   | 523,205.00      |                                 | 523,205.00      | 478,543.40      | 44,661.60                   |
| School sponsored athletics:                      |                 |                                 |                 |                 |                             |
| Salaries   | 867,109.00      | (71,996.00)                     | 795,113.00      | 757,211.37      | 37,901.63                   |
| Purchased services (300-500 series)              | 140,981.00      | 44,977.00                       | 185,958.00      | 133,727.09      | 52,230.91                   |
| Supplies and Materials                           | 118,000.00      | 5,025.00                        | 123,025.00      | 112,893.00      | 10,132.00                   |
| Other objects                                    | 43,580.00       | 500.00                          | 44,080.00       | 41,337.50       | 2,742.50                    |
| Total school sponsored athletics                 | 1,169,670.00    | (21,494.00)                     | 1,148,176.00    | 1,045,168.96    | 103,007.04                  |
| Other instructional programs - instruction:      |                 |                                 |                 |                 |                             |
| Salaries   | 10,375.00       | 1,428.00                        | 11,803.00       | 11,801.40       | 1.60                        |
| Total other instructional programs - instruction | 10,375.00       | 1,428.00                        | 11,803.00       | 11,801.40       | 1.60                        |
| Total other instructional programs               | 3,717,725.00    | (179,737.80)                    | 3,537,987.20    | 3,273,026.08    | 264,961.12                  |
| Total - instruction                              | \$40,028,736.00 | (\$851,492.87)                  | \$39,177,243.13 | \$38,105,730.05 | \$1,071,513.08              |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

|   | ORIGINAL BUDGET       | BUDGET TRANSFERS/ AMENDMENTS | FINAL BUDGET          | ACTUAL                | VARIANCE FINAL TO ACTUAL |
|---|-----------------------|------------------------------|-----------------------|-----------------------|--------------------------|
| Undistributed expenditures:                                     |                       |                              |                       |                       |                          |
| Instruction:  |                       |                              |                       |                       |                          |
| Tuition to Other LEAs Within the State-Special                  | \$1,223,236.00        | (\$87,523.00)                | \$1,155,713.00        | \$854,628.56          | \$301,084.44             |
| Tuition to County Vocational School - Regular                   | 41,725.00             |                              | 41,725.00             | 37,733.00             | 3,992.00                 |
| Tuition to County Vocational School - Special                   | 11,725.00             | 18,888.00                    | 30,613.00             | 30,613.00             |                          |
| Tuition to CSSD and regular day schools                         |                       | 50,000.00                    | 50,000.00             | 49,456.00             | 544.00                   |
| Tuition for private schools for handicapped within the state    | 1,728,843.00          | (313,446.00)                 | 1,415,397.00          | 830,683.39            | 584,713.61               |
| Tuition for private schools for handicapped outside the state   | 79,254.00             | (6,100.00)                   | 73,154.00             | 50,346.57             | 22,807.43                |
| Tuition - other   | 465,614.00            | (20,200.00)                  | 445,414.00            | 289,676.74            | 155,737.26               |
| <b>Total instruction</b>  | <b>3,550,397.00</b>   | <b>(338,381.00)</b>          | <b>3,212,016.00</b>   | <b>2,143,137.26</b>   | <b>1,068,878.74</b>      |
| Attendance and social services work:                            |                       |                              |                       |                       |                          |
| Purchased Professional & Technical Services                     | 2,500.00              | (775.00)                     | 1,725.00              |                       | 1,725.00                 |
| <b>Total - attendance and social services work</b>              | <b>2,500.00</b>       | <b>(775.00)</b>              | <b>1,725.00</b>       |                       | <b>1,725.00</b>          |
| Health services:  |                       |                              |                       |                       |                          |
| Salaries  | 835,986.00            | 2,714.00                     | 838,700.00            | 835,937.75            | 2,762.25                 |
| Purchased Professional & Technical Services                     | 305,230.00            | (7,347.00)                   | 297,883.00            | 294,103.00            | 3,780.00                 |
| Other purchased services (400-500 series)                       | 2,700.00              |                              | 2,700.00              | 1,100.00              | 1,600.00                 |
| Supplies and materials  | 39,172.00             | (1,250.00)                   | 37,922.00             | 28,857.94             | 9,064.06                 |
| <b>Total - health services</b>                                  | <b>1,183,088.00</b>   | <b>(5,883.00)</b>            | <b>1,177,205.00</b>   | <b>1,159,988.69</b>   | <b>17,206.31</b>         |
| Other support services - students-related services:             |                       |                              |                       |                       |                          |
| Salaries  | 1,175,142.00          | (59,034.83)                  | 1,116,107.17          | 1,113,353.01          | 2,754.16                 |
| Purchased professional -educational services                    | 151,905.00            | 99,291.00                    | 251,196.00            | 207,386.19            | 43,829.81                |
| Supplies and materials  | 19,945.00             | (0.25)                       | 19,944.75             | 19,392.59             | 552.16                   |
| <b>Total other support services - students-related services</b> | <b>1,346,992.00</b>   | <b>40,255.92</b>             | <b>1,387,247.92</b>   | <b>1,340,111.79</b>   | <b>47,136.13</b>         |
| Other support services students-extra services                  |                       |                              |                       |                       |                          |
| Salaries  | 1,338,053.00          | 239,645.00                   | 1,577,698.00          | 1,422,922.68          | 154,775.32               |
| Purchased professional -educational services                    | 479,827.00            | 48,257.00                    | 528,084.00            | 451,582.88            | 76,491.12                |
| <b>Total other support services students-extra services</b>     | <b>\$1,817,880.00</b> | <b>\$287,902.00</b>          | <b>\$2,105,782.00</b> | <b>\$1,874,515.56</b> | <b>\$231,266.44</b>      |



TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

|   | ORIGINAL BUDGET     | BUDGET TRANSFERS/ AMENDMENTS | FINAL BUDGET        | ACTUAL              | VARIANCE FINAL TO ACTUAL |
|---|---------------------|------------------------------|---------------------|---------------------|--------------------------|
| Other support services - students-regular                         |                     |                              |                     |                     |                          |
| Salaries of other professional staff                              | \$1,719,610.00      | (\$4,086.00)                 | \$1,715,524.00      | \$1,704,970.78      | \$10,553.22              |
| Salaries of secretarial and clerical assistants                   | 155,565.00          | (172.00)                     | 155,393.00          | 147,994.52          | 7,398.48                 |
| Other Salaries  | 103,809.00          | (103,809.00)                 | 0.00                |                     |                          |
| Purchased Professional - Educational Services                     | 1,000.00            |                              | 1,000.00            |                     | 1,000.00                 |
| Other purchased professional and technical services               | 47,472.00           | (9,265.00)                   | 38,207.00           | 36,247.00           | 1,960.00                 |
| Other purchased services  | 11,265.00           | (350.00)                     | 10,915.00           | 10,915.00           |                          |
| Supplies and materials  | 15,100.00           |                              | 15,100.00           | 8,765.41            | 6,334.59                 |
| Other objects   | 793.00              |                              | 793.00              | 668.00              | 125.00                   |
| <b>Total other support services - students-regular</b>            | <b>2,054,614.00</b> | <b>(117,662.00)</b>          | <b>1,936,952.00</b> | <b>1,898,645.71</b> | <b>38,286.29</b>         |
| Other support services - students - special services:             |                     |                              |                     |                     |                          |
| Salaries of other professional staff                              | 1,529,081.00        | (23,210.40)                  | 1,505,870.60        | 1,473,543.18        | 32,327.42                |
| Salaries of secretarial and clerical assistants                   | 296,485.00          | (5,322.00)                   | 291,163.00          | 269,363.12          | 21,799.88                |
| Salaries - other  | 5,900.00            | 233.00                       | 6,133.00            | 5,360.00            | 773.00                   |
| Purchased professional educational services                       | 55,000.00           | 2,646.00                     | 57,646.00           | 47,590.13           | 10,055.87                |
| Other Purchase Services (400-500 series)                          | 17,655.00           |                              | 17,655.00           | 5,019.32            | 12,635.68                |
| Supplies and materials  | 28,657.00           |                              | 28,657.00           | 20,349.33           | 8,307.67                 |
| <b>Total other support services - students - special services</b> | <b>1,932,778.00</b> | <b>(25,653.40)</b>           | <b>1,907,124.60</b> | <b>1,821,225.08</b> | <b>85,899.52</b>         |
| Improvement of instructional services:                            |                     |                              |                     |                     |                          |
| Salary of Supervisor of instruction                               | 149,954.00          | 77,190.00                    | 227,144.00          | 227,143.70          | 0.30                     |
| Salaries of other professional staff                              | 172,298.00          | (8,063.75)                   | 164,244.25          | 146,612.80          | 17,631.45                |
| Salaries of secretary and clerical assistant                      | 41,545.00           |                              | 41,545.00           | 41,544.96           | 0.04                     |
| Salaries of Facilitators, Math & Literacy Coaches                 |                     |                              |                     |                     |                          |
| Purchased professional educational services                       | 30,400.00           | (16,500.00)                  | 13,900.00           | 400.00              | 13,500.00                |
| Other purchased services  |                     |                              |                     |                     |                          |
| Other purchased services  | 15,774.00           | (6,154.00)                   | 9,620.00            | 5,614.99            | 4,005.01                 |
| Supplies and materials  | 20,070.00           | 1,286.00                     | 21,356.00           | 18,970.31           | 2,385.69                 |
| Miscellaneous expenditures  | 39,800.00           | (4,500.00)                   | 35,300.00           | 31,344.00           | 3,956.00                 |
| <b>Total improvement of instructional services</b>                | <b>469,841.00</b>   | <b>43,266.25</b>             | <b>513,107.25</b>   | <b>471,630.76</b>   | <b>41,478.49</b>         |
| Educational media/school library:                                 |                     |                              |                     |                     |                          |
| Salaries  | 763,963.00          | 13,365.65                    | 777,348.65          | 767,961.62          | 9,387.03                 |
| Purchased professional and technical services                     | 6,000.00            |                              | 6,000.00            | 5,468.15            | 531.85                   |
| Other Purchase Services (400-500 series)                          | 1,500.00            |                              | 1,500.00            |                     | 1,500.00                 |
| Supplies and materials  | 108,002.00          | (0.15)                       | 108,001.85          | 101,728.65          | 6,273.20                 |
| <b>Total educational media/school library</b>                     | <b>\$879,465.00</b> | <b>\$13,365.50</b>           | <b>\$892,830.50</b> | <b>\$875,156.42</b> | <b>\$17,674.08</b>       |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

|  | ORIGINAL<br>BUDGET    | BUDGET TRANSFERS/<br>AMENDMENTS | FINAL<br>BUDGET       | ACTUAL                | VARIANCE<br>FINAL TO ACTUAL |
|--|-----------------------|---------------------------------|-----------------------|-----------------------|-----------------------------|
| <b>Instructional staff training services:</b>        |                       |                                 |                       |                       |                             |
| Salaries of Supervisors of Instruction               | \$615,613.00          | \$45,017.19                     | \$660,630.19          | \$660,625.96          | \$4.23                      |
| Salaries of Other Professional Staff                 | 50,440.00             | (22,638.00)                     | 27,802.00             | 15,036.80             | 12,765.20                   |
| Salaries of Secretarial and Clerical Assist          | 17,805.00             |                                 | 17,805.00             | 17,804.88             | 0.12                        |
| Purchased professional educational services          | 83,835.00             | (22,456.00)                     | 61,379.00             | 36,870.00             | 24,509.00                   |
| Other Purchase Services (400-500 series)             | 49,908.00             | 750.00                          | 50,658.00             | 22,916.62             | 27,741.38                   |
| Supplies and materials                               | 6,450.00              |                                 | 6,450.00              | 2,232.49              | 4,217.51                    |
| <b>Total Instructional staff training services</b>   | <b>824,051.00</b>     | <b>673.19</b>                   | <b>824,724.19</b>     | <b>755,486.75</b>     | <b>69,237.44</b>            |
| <b>Support services general administration:</b>      |                       |                                 |                       |                       |                             |
| Salaries   | 574,755.00            | 174,870.00                      | 749,625.00            | 749,565.12            | 59.88                       |
| Legal services                                       | 150,000.00            | (36,224.00)                     | 113,776.00            | 94,765.13             | 19,010.87                   |
| Audit fees   | 30,000.00             | (30,000.00)                     |                       |                       |                             |
| Architectural/Engineering Services                   | 16,000.00             |                                 | 16,000.00             | 16,000.00             |                             |
| Other purchased professional services                | 11,300.00             | 831.00                          | 12,131.00             | 11,961.00             | 170.00                      |
| Communications/telephone                             | 189,935.00            | 2,686.00                        | 192,621.00            | 170,652.01            | 21,968.99                   |
| BOE Other purchased services                         | 4,000.00              | (1,600.00)                      | 2,400.00              | 1,760.04              | 619.96                      |
| Other purchased services                             | 454,800.00            | 41,916.00                       | 496,716.00            | 489,199.25            | 7,516.75                    |
| General Supplies                                     | 5,475.00              | 802.00                          | 6,277.00              | 4,610.23              | 1,666.77                    |
| BOE in-house training/meeting supplies               | 2,000.00              | (1,590.00)                      | 410.00                |                       | 410.00                      |
| Miscellaneous expenditures                           | 11,000.00             | (3,429.00)                      | 7,571.00              | 6,325.00              | 1,246.00                    |
| BOE Membership dues and fees                         | 25,000.00             | (1,337.00)                      | 23,663.00             | 23,416.06             | 246.94                      |
| <b>Total support services general administration</b> | <b>1,474,265.00</b>   | <b>146,925.00</b>               | <b>1,621,190.00</b>   | <b>1,568,273.84</b>   | <b>52,916.16</b>            |
| <b>Support services school administration:</b>       |                       |                                 |                       |                       |                             |
| Salaries of principals/assistant principals          | 1,890,504.00          | 88,216.00                       | 1,978,720.00          | 1,811,388.40          | 167,331.60                  |
| Salaries of secretarial and clerical assistants      | 830,419.00            | (438.87)                        | 829,980.13            | 788,402.85            | 41,577.28                   |
| Salaries of Other Professional Staff                 | 758,045.00            | 70,147.68                       | 828,192.68            | 757,466.93            | 70,725.75                   |
| Other purchased services                             | 48,220.00             | (4,825.00)                      | 43,395.00             | 11,842.62             | 31,552.38                   |
| Supplies and materials                               | 42,640.00             | 2,800.00                        | 45,440.00             | 27,031.77             | 18,408.23                   |
| Other objects  | 9,697.00              |                                 | 9,697.00              | 1,069.99              | 8,627.01                    |
| <b>Total support services school administration</b>  | <b>3,579,525.00</b>   | <b>155,899.81</b>               | <b>3,735,424.81</b>   | <b>3,397,202.56</b>   | <b>338,222.25</b>           |
| <b>Central services:</b>                             |                       |                                 |                       |                       |                             |
| Salaries   | 1,051,795.00          | (164,309.00)                    | 887,486.00            | 885,576.86            | 1,909.14                    |
| Purchased technical services                         | 134,547.00            | 72,406.00                       | 206,953.00            | 204,361.82            | 2,591.18                    |
| Misc. purchased services (400-500 series)            | 24,100.00             | (4,848.00)                      | 19,252.00             | 16,843.92             | 2,408.08                    |
| Supplies and Materials                               | 16,225.00             | 6,740.00                        | 22,965.00             | 21,009.33             | 1,955.67                    |
| Interest on Lease Purchase                           | 15,736.00             | 1,950.00                        | 17,686.00             | 17,681.38             | 4.62                        |
| Miscellaneous Expenditures                           | 7,850.00              | 10,661.00                       | 18,511.00             | 18,511.00             |                             |
| <b>Total central services</b>                        | <b>\$1,250,253.00</b> | <b>(\$77,400.00)</b>            | <b>\$1,172,853.00</b> | <b>\$1,163,984.31</b> | <b>\$8,868.69</b>           |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

|   | ORIGINAL BUDGET       | BUDGET TRANSFERS/ AMENDMENTS | FINAL BUDGET          | ACTUAL                | VARIANCE FINAL TO ACTUAL |
|---|-----------------------|------------------------------|-----------------------|-----------------------|--------------------------|
| Administration information technology:                      |                       |                              |                       |                       |                          |
| Salaries  | \$103,903.00          | \$56,000.10                  | \$159,903.10          | \$38,274.20           | \$121,628.90             |
| Purchased technical services                                | 193,634.00            | 158,779.00                   | 352,413.00            | 285,297.05            | 67,115.95                |
| Other Purchased Services                                    | 2,000.00              |                              | 2,000.00              | 1,986.00              | 14.00                    |
| Supplies and Materials                                      | 16,600.00             | 19,000.00                    | 35,600.00             | 10,552.06             | 25,047.94                |
| <b>Total administration information technology</b>          | <b>316,137.00</b>     | <b>233,779.10</b>            | <b>549,916.10</b>     | <b>336,109.31</b>     | <b>213,806.79</b>        |
| Required maintenance for school facilities:                 |                       |                              |                       |                       |                          |
| Salaries  | 591,210.00            |                              | 591,210.00            | 580,362.47            | 10,847.53                |
| Cleaning, repair, and maintenance services                  | 427,550.00            | 25.00                        | 427,575.00            | 151,141.32            | 276,433.68               |
| General Supplies  | 168,100.00            |                              | 168,100.00            | 134,344.67            | 33,755.33                |
| <b>Total required maintenance for school facilities</b>     | <b>1,186,860.00</b>   | <b>25.00</b>                 | <b>1,186,885.00</b>   | <b>865,848.46</b>     | <b>321,036.54</b>        |
| Other operations & maintenance of plant:                    |                       |                              |                       |                       |                          |
| Salaries  | 1,957,771.00          | (72,365.00)                  | 1,885,406.00          | 1,879,770.06          | 5,635.94                 |
| Salaries of Non-Instructional Aides                         | 287,197.00            | 3,910.00                     | 291,107.00            | 290,970.35            | 136.65                   |
| Purchased professional and technical services               | 15,000.00             | 8,175.00                     | 23,175.00             | 21,175.00             | 2,000.00                 |
| Cleaning, repair and maint. services                        | 381,582.00            | 41,300.00                    | 422,882.00            | 409,192.66            | 13,689.34                |
| Other purchased property services                           | 179,000.00            | 27,300.00                    | 206,300.00            | 195,447.61            | 10,852.39                |
| Insurance   | 576,100.00            | 15,000.00                    | 591,100.00            | 591,100.00            |                          |
| General supplies  | 144,673.44            | (75,000.00)                  | 69,673.44             | 57,389.71             | 12,283.73                |
| Energy (Natural Gas)  | 480,000.00            | 156,054.00                   | 636,054.00            | 394,437.00            | 241,617.00               |
| Energy (Electricity)  | 1,375,000.00          | (74,747.00)                  | 1,300,253.00          | 1,259,293.50          | 40,959.50                |
| Other objects   | 5,000.00              | 5,000.00                     | 5,000.00              | 4,354.31              | 645.69                   |
| <b>Total other operations &amp; maintenance of plant</b>    | <b>5,401,323.44</b>   | <b>29,627.00</b>             | <b>5,430,950.44</b>   | <b>5,103,130.20</b>   | <b>327,820.24</b>        |
| Care & Upkeep of Grounds                                    |                       |                              |                       |                       |                          |
| Salaries  | 268,740.00            | (6,722.00)                   | 262,018.00            | 254,391.69            | 7,626.31                 |
| Cleaning, Repair, and Maintenance Services                  | 169,384.00            | (26,205.00)                  | 143,179.00            | 82,768.79             | 60,410.21                |
| General Supplies  | 63,000.00             |                              | 63,000.00             | 32,622.99             | 30,377.01                |
| <b>Total Care and Upkeep of Grounds</b>                     | <b>501,124.00</b>     | <b>(32,927.00)</b>           | <b>468,197.00</b>     | <b>369,783.47</b>     | <b>98,413.53</b>         |
| Security:   |                       |                              |                       |                       |                          |
| Salaries  | 129,865.00            |                              | 129,865.00            | 126,897.30            | 2,967.70                 |
| Purchased professional and technical services               | 38,045.00             | (5,000.00)                   | 33,045.00             | 8,926.33              | 24,118.67                |
| General Supplies  | 725.00                |                              | 725.00                | 132.52                | 592.48                   |
| Other Objects   | 250.00                |                              | 250.00                |                       | 250.00                   |
| <b>Total Security</b>                                       | <b>168,885.00</b>     | <b>(5,000.00)</b>            | <b>163,885.00</b>     | <b>135,956.15</b>     | <b>27,928.85</b>         |
| <b>Total operations &amp; maintenance of plant services</b> | <b>\$7,258,192.44</b> | <b>(\$8,275.00)</b>          | <b>\$7,249,917.44</b> | <b>\$6,474,718.28</b> | <b>\$775,199.16</b>      |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

|   | ORIGINAL<br>BUDGET     | BUDGET TRANSFERS/<br>AMENDMENTS | FINAL<br>BUDGET        | ACTUAL                 | VARIANCE<br>FINAL TO ACTUAL |
|---|------------------------|---------------------------------|------------------------|------------------------|-----------------------------|
| Student transportation services:  |                        |                                 |                        |                        |                             |
| Salaries of non-instructional aides                                       | \$176,083.00           | \$21,874.00                     | \$197,957.00           | \$194,315.99           | \$3,641.01                  |
| Salaries for pupil transportation<br>(between home and school) - regular  | 1,532,791.00           | 117,246.00                      | 1,650,037.00           | 1,642,844.37           | 7,192.63                    |
| Salaries for pupil transportation<br>(between home and school) - special  | 151,883.00             | 69,536.00                       | 221,419.00             | 221,414.37             | 4.63                        |
| Salaries for pupil transportation<br>(other than between home and school) | 207,266.00             | (8,038.00)                      | 199,228.00             | 197,610.58             | 1,617.42                    |
| Other Purchased Prof. and Technical Serv.                                 | 42,246.00              |                                 | 42,246.00              | 40,659.88              | 1,586.12                    |
| Cleaning, repair and maint. services                                      | 50,000.00              | (24,890.00)                     | 25,110.00              | 18,323.19              | 6,786.81                    |
| Lease Purchase Payments - School Buses                                    | 488,027.00             | (721.00)                        | 488,306.00             | 488,305.62             | 0.38                        |
| Contracted services (aid in lieu of payments)                             | 360,000.00             | 1,035.00                        | 361,035.00             | 360,551.15             | 483.85                      |
| Contract services (aid in lieu of payments)- Charter Sch                  | 5,000.00               |                                 | 5,000.00               | 2,000.00               | 3,000.00                    |
| Contracted services (between home and school) - vendors                   | 999,890.00             | (140,601.00)                    | 859,289.00             | 786,715.64             | 72,573.36                   |
| Contracted services (other than between home<br>and school) - vendors     | 30,000.00              | 42,636.00                       | 72,636.00              | 64,901.50              | 7,734.50                    |
| Contracted services (between home and<br>school) - joint agreements       | 2,000.00               |                                 | 2,000.00               |                        | 2,000.00                    |
| Contracted services (special education students)<br>joint agreements      | 10,000.00              | 21,101.00                       | 31,101.00              | 29,601.52              | 1,499.48                    |
| Contracted services (special education students)<br>- ESCs & CTSA         | 905,000.00             | 43,270.00                       | 948,270.00             | 893,726.64             | 54,543.36                   |
| Misc. purchased services - transportation                                 | 2,200.00               | (487.00)                        | 1,713.00               | 700.00                 | 1,013.00                    |
| General supplies  | 3,500.00               |                                 | 3,500.00               | 1,583.31               | 1,916.69                    |
| Transportation supplies   | 341,200.00             | 190,562.00                      | 531,762.00             | 403,804.72             | 127,957.28                  |
| Other Objects   | 4,000.00               |                                 | 4,000.00               | 2,600.00               | 1,400.00                    |
| <b>Total student transportation services</b>                              | <b>5,312,086.00</b>    | <b>332,523.00</b>               | <b>5,644,609.00</b>    | <b>5,349,658.48</b>    | <b>294,950.52</b>           |
| Unallocated benefits:   |                        |                                 |                        |                        |                             |
| Group insurance   | 48,800.00              |                                 | 48,800.00              | 46,149.25              | 2,650.75                    |
| Social security contributions   | 1,200,000.00           |                                 | 1,200,000.00           | 1,102,811.25           | 97,188.75                   |
| Other retirement contributions - PERS                                     | 1,548,080.00           |                                 | 1,548,080.00           | 1,524,885.00           | 23,195.00                   |
| Pension contributions   | 35,000.00              |                                 | 35,000.00              | 20,674.49              | 14,325.51                   |
| Workmen's compensation  | 622,490.00             | (104,000.00)                    | 518,490.00             | 518,315.60             | 84.40                       |
| Health benefits   | 14,989,828.60          | 513,640.00                      | 15,503,468.60          | 15,477,308.80          | 26,159.80                   |
| Tuition reimbursement   | 160,000.00             | 13,000.00                       | 173,000.00             | 164,762.36             | 8,237.64                    |
| Other employee benefits   | 603,000.00             | (93,900.00)                     | 509,100.00             | 462,312.24             | 46,787.76                   |
| <b>Total unallocated benefits</b>   | <b>\$19,207,108.60</b> | <b>\$328,740.00</b>             | <b>\$19,535,848.60</b> | <b>19,317,218.99</b>   | <b>218,629.61</b>           |
| On-behalf TPAF post retirement medical (non budgeted)                     |                        |                                 |                        | 3,455,475.00           | (3,455,475.00)              |
| On -behalf TPAF non-contributory insurance (non-budgeted)                 |                        |                                 |                        | 205,759.00             | (205,759.00)                |
| On-behalf TPAF pension contribution (non-budgeted)                        |                        |                                 |                        | 14,583,954.00          | (14,583,954.00)             |
| On-behalf TPAF long-term disability insurance (non-budgeted)              |                        |                                 |                        | 5,776.00               | (5,776.00)                  |
| Reimbursed TPAF social security contributions (non-budgeted)              |                        |                                 |                        | 2,959,070.65           | (2,959,070.65)              |
| <b>Total</b>  | <b>\$24,529,194.60</b> | <b>\$661,263.00</b>             | <b>\$25,190,457.60</b> | <b>\$24,984,647.12</b> | <b>\$205,810.48</b>         |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

|   | ORIGINAL BUDGET      | BUDGET TRANSFERS/ AMENDMENTS | FINAL BUDGET         | ACTUAL                | VARIANCE FINAL TO ACTUAL |
|---|----------------------|------------------------------|----------------------|-----------------------|--------------------------|
| Total undistributed expenditures  | \$52,459,173.04      | \$1,009,302.37               | \$53,468,475.41      | \$71,157,108.44       | (\$17,688,633.03)        |
| <b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>                               | <b>92,487,909.04</b> | <b>157,809.50</b>            | <b>92,645,718.54</b> | <b>109,262,838.49</b> | <b>(16,617,119.95)</b>   |
| <b>CAPITAL OUTLAY:</b>  |                      |                              |                      |                       |                          |
| Interest Deposit to Capital Reserve                                       | 250.00               |                              | 250.00               |                       | 250.00                   |
| Equipment:  |                      |                              |                      |                       |                          |
| Undistributed expenditures - instruction                                  | 72,719.00            | (18,508.75)                  | 54,210.25            | 54,210.25             |                          |
| Undistributed expenditures - Support Serv.-Students                       |                      | 3,776.25                     | 3,776.25             | 3,776.25              |                          |
| Undistributed expenditures - School Admin                                 | 2,000.00             |                              | 2,000.00             |                       | 2,000.00                 |
| Undistributed equipment - Required maintenance for school facility        | 82,000.00            | (24,546.00)                  | 57,454.00            | 49,335.51             | 8,118.49                 |
| Undistributed expenditures - Custodial Services                           | 17,000.00            |                              | 17,000.00            | 16,296.90             | 703.10                   |
| Undistributed expenditures - Care and upkeep of grounds                   | 12,000.00            | 6,500.00                     | 6,500.00             | 6,500.00              |                          |
| Undistributed expenditures - Student transportation - non inst. equipment |                      | (5,313.00)                   | 6,687.00             | 5,800.25              | 886.75                   |
| School Buses - Regular  |                      | 206,902.00                   | 206,902.00           |                       | 206,902.00               |
| School Buses - Special  |                      | 88,757.00                    | 88,757.00            |                       | 88,757.00                |
| Grades 9-12   |                      | 10,300.00                    | 10,300.00            | 9,799.99              | 500.01                   |
| School-Sponsored and Other Instructional Program                          |                      | 7,475.00                     | 7,475.00             | 7,475.00              |                          |
| Total equipment   | 185,719.00           | 275,342.50                   | 461,061.50           | 153,194.15            | 307,867.35               |
| Facilities acquisition and construction services                          |                      |                              |                      |                       |                          |
| Construction services   | 550,000.00           | (187,000.00)                 | 363,000.00           | 75,845.00             | 287,155.00               |
| Assessment for debt service on SDA funding                                | 158,855.00           |                              | 158,855.00           | 158,855.00            |                          |
| Assets Acquired Under Installment Purchase Contracts (non-budgeted)       |                      |                              |                      | 200,670.00            | (200,670.00)             |
| Total facilities acquisition and const. serv.                             | 708,855.00           | (187,000.00)                 | 521,855.00           | 435,370.00            | 86,485.00                |
| <b>TOTAL CAPITAL OUTLAY:</b>  | <b>894,824.00</b>    | <b>86,342.50</b>             | <b>983,166.50</b>    | <b>588,564.15</b>     | <b>394,602.35</b>        |
| <b>CHARTER SCHOOLS:</b>   |                      |                              |                      |                       |                          |
| Transfer of funds to charter schools                                      | 67,137.00            | \$1,848.00                   | \$68,985.00          | \$62,692.00           | 6,293.00                 |
| <b>GENERAL FUND GRAND TOTAL</b>   | <b>93,449,870.04</b> | <b>248,000.00</b>            | <b>93,697,870.04</b> | <b>109,914,094.64</b> | <b>(16,216,224.60)</b>   |
| Excess (deficiency) of revenues over (under) expenditures                 | (\$4,540,319.04)     | (\$248,000.00)               | (\$4,788,319.04)     | \$2,107,969.02        | \$6,896,288.06           |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

|  | ORIGINAL<br>BUDGET | BUDGET TRANSFERS/<br>AMENDMENTS | FINAL<br>BUDGET | ACTUAL          | VARIANCE<br>FINAL TO ACTUAL |
|--|--------------------|---------------------------------|-----------------|-----------------|-----------------------------|
| Installment Purchase Contracts (Non-Budgeted)  |                    |                                 |                 | \$200,670.00    | 200,670.00                  |
| Total other financing sources (uses)   |                    |                                 |                 | 200,670.00      | 200,670.00                  |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (\$4,540,319.04)   | (248,000.00)                    | (4,788,319.04)  | 2,308,639.02    | 7,096,958.06                |
| Fund balances, July 1  | 22,284,185.44      |                                 | 22,284,185.44   | 22,284,185.44   |                             |
| Fund balances, June 30   | \$17,743,866.40    | (\$248,000.00)                  | \$17,495,866.40 | \$24,592,824.46 | \$7,096,958.06              |
| Recapitulation:  |                    |                                 |                 |                 |                             |
| Assigned - year-end encumbrances   |                    |                                 |                 | \$652,255.34    |                             |
| Restricted - capital reserve   |                    |                                 |                 | 6,718,278.22    |                             |
| Restricted - maintenance reserve   |                    |                                 |                 | 3,000,000.00    |                             |
| Restricted - emergency reserve   |                    |                                 |                 | 274,983.39      |                             |
| Restricted - unemployment reserve  |                    |                                 |                 | 732,883.19      |                             |
| Restricted - excess surplus - designated for subsequent year's expenditures                                    |                    |                                 |                 | 3,809,656.00    |                             |
| Restricted - excess surplus - current year   |                    |                                 |                 | 3,799,489.76    |                             |
| Assigned - FFCRA/SEMI designated for subsequent year's expenditures  |                    |                                 |                 | 1,691.96        |                             |
| Unassigned fund balance  |                    |                                 |                 | 5,603,586.60    |                             |
|  |                    |                                 |                 | \$24,592,824.46 |                             |
| Reconciliation to Government Fund Statements   |                    |                                 |                 | (561,538.00)    |                             |
| Last Federal and State aid payments not recognized on GAAP basis   |                    |                                 |                 | \$24,031,286.46 |                             |
| Fund Balance per Governmental Funds (GAAP)   |                    |                                 |                 |                 |                             |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR FISCAL YEARS ENDED JUNE 30, 2022

|  | ORIGINAL<br>BUDGET    | BUDGET TRANSFERS/<br>AMENDMENTS | FINAL<br>BUDGET       | ACTUAL                | VARIANCE<br>FINAL TO ACTUAL |
|--|-----------------------|---------------------------------|-----------------------|-----------------------|-----------------------------|
| <b>REVENUES:</b>   |                       |                                 |                       |                       |                             |
| State sources  | \$65,093.00           | \$15,371.00                     | \$80,464.00           | \$187,383.00          | \$106,919.00                |
| Federal sources  | 1,109,251.00          | 4,105,457.91                    | 5,214,708.91          | 2,156,206.06          | (3,058,502.85)              |
| Other sources  |                       | 1,328,819.71                    | 1,328,819.71          | 789,651.24            | (539,168.47)                |
| <b>Total revenues</b>  | <b>\$1,174,344.00</b> | <b>\$5,449,648.62</b>           | <b>\$6,623,992.62</b> | <b>\$3,133,240.30</b> | <b>(\$3,490,752.32)</b>     |
| <b>EXPENDITURES:</b>   |                       |                                 |                       |                       |                             |
| <b>Instruction:</b>  |                       |                                 |                       |                       |                             |
| Salaries of teachers   | \$260,979.00          | \$661,915.93                    | \$922,894.93          | \$318,558.86          | \$604,336.07                |
| Other salaries   |                       | 16,016.00                       | 16,016.00             | 16,016.00             |                             |
| Purchased professional & technical services  | 32,892.00             | 108,373.00                      | 141,265.00            | 108,624.23            | 32,640.77                   |
| Other purchased services   |                       | 378,662.61                      | 378,662.61            | 26,485.92             | 352,176.69                  |
| Tuition  | 736,231.00            | 146,322.00                      | 882,553.00            | 876,861.97            | 5,691.03                    |
| General supplies   | 43,029.00             | 665,982.37                      | 709,011.37            | 197,901.93            | 511,109.44                  |
| Textbooks  | 7,509.00              | 2,395.00                        | 9,904.00              | 9,053.00              | 851.00                      |
| <b>Total instruction</b>   | <b>1,080,640.00</b>   | <b>1,979,666.91</b>             | <b>3,060,306.91</b>   | <b>1,553,501.91</b>   | <b>1,506,805.00</b>         |
| <b>Support services:</b>   |                       |                                 |                       |                       |                             |
| Other salaries   |                       | 713,930.00                      | 713,930.00            | 155,140.53            | 558,789.47                  |
| Purchased professional & technical services  | 27,395.00             | 627,512.00                      | 654,907.00            | 373,556.50            | 281,350.50                  |
| Personal services - employee benefits  |                       | 208,039.75                      | 208,039.75            | 37,552.87             | 170,486.88                  |
| Other purchased services   | 66,309.00             | 387,800.00                      | 454,109.00            | 173,581.72            | 280,527.28                  |
| Supplies and materials   |                       | 304,385.19                      | 304,385.19            | 98,129.67             | 206,255.52                  |
| Student activities   |                       | 1,193,886.17                    | 1,193,886.17          | 712,996.62            | 480,889.55                  |
| Scholarships   |                       | 34,428.60                       | 34,428.60             | 5,050.00              | 29,378.60                   |
| <b>Total support services</b>  | <b>93,704.00</b>      | <b>3,469,981.71</b>             | <b>3,563,685.71</b>   | <b>1,556,007.91</b>   | <b>2,007,677.80</b>         |
| <b>Total expenditures</b>  | <b>\$1,174,344.00</b> | <b>\$5,449,648.62</b>           | <b>\$6,623,992.62</b> | <b>3,109,509.82</b>   | <b>\$3,514,482.80</b>       |
| <b>Excess/(Deficiency) of Revenues Over/<br/>(under) Expenditures and Other<br/>Financing Sources/(Uses)</b> |                       |                                 |                       | <b>23,730.48</b>      | <b>(23,730.48)</b>          |
| <b>Fund Balance, July 1</b>  |                       |                                 |                       | <b>486,537.67</b>     |                             |
| <b>Fund Balance, June 30</b>   |                       |                                 |                       | <b>\$510,268.15</b>   |                             |
| <b>Recapitulation of Balance:</b>  |                       |                                 |                       |                       |                             |
| <b>Restricted:</b>   |                       |                                 |                       |                       |                             |
| Scholarships   |                       |                                 |                       | \$29,378.60           |                             |
| Student Activities   |                       |                                 |                       | 480,889.55            |                             |
| <b>Total Fund Balance</b>  |                       |                                 |                       | <b>\$510,268.15</b>   |                             |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|   | <u>GENERAL<br/>FUND</u> | <u>SPECIAL<br/>REVENUE<br/>FUND</u> |
|---|-------------------------|-------------------------------------|
| <b>Sources/inflows of resources</b>   |                         |                                     |
| Actual amounts (budgetary) "revenues" from the budgetary comparison schedules   | \$112,022,063.66        | \$3,133,240.30                      |
| Difference - budget to GAAP<br>Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized.   |                         | 118,013.33                          |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.   | 490,271.00              |                                     |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.  | <u>(561,538.00)</u>     |                                     |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.  | <u>\$111,950,796.66</u> | <u>\$3,251,253.63</u>               |
| <b>Uses/outflows of resources</b>   |                         |                                     |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules   | <u>\$109,914,094.64</u> | <u>\$3,109,509.82</u>               |
| Difference - budget to GAAP<br>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 purposes |                         | <u>118,013.33</u>                   |
| Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.  | <u>\$109,914,094.64</u> | <u>\$3,227,523.15</u>               |



**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)**

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST NINE YEARS

| <u>Measurement Date Ending June 30,</u> | <u>District's Proportion of the Net Pension Liability (Asset)</u> | <u>District's Proportionate Share of the Net Pension Liability (Asset)</u> | <u>District's Covered-Employee Payroll</u> | <u>District's Proportion of the Net Pension Liability (Asset) as a Percentage of It's Covered-Employee Payroll</u> | <u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u> |
|---|---|--|--|--|---|
| 2013                                    | 0.1075183757%   | \$ 20,548,898  | \$ 7,531,562.00                            | 272.84%  | 48.72%  |
| 2014                                    | 0.1114806015%   | 20,872,218   | 7,725,867.00                               | 270.16%  | 52.08%  |
| 2015                                    | 0.1142764517%   | 25,652,773   | 8,083,793.00                               | 317.34%  | 47.92%  |
| 2016                                    | 0.1232733687%   | 36,510,036   | 8,477,608.00                               | 430.66%  | 40.14%  |
| 2017                                    | 0.1218354149%   | 28,361,337   | 8,331,825.00                               | 340.40%  | 44.10%  |
| 2018                                    | 0.1210735800%   | 23,838,784   | 8,260,521.00                               | 288.59%  | 53.60%  |
| 2019                                    | 0.1243288004%   | 22,402,164   | 8,866,797.00                               | 252.65%  | 56.27%  |
| 2020                                    | 0.1255407056%   | 20,472,406   | 9,228,470.00                               | 221.84%  | 58.32%  |
| 2021                                    | 0.1302078280%   | 15,425,069   | 9,188,456.00                               | 167.87%  | 70.33%  |

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST NINE YEARS

| <u>Fiscal Year</u><br><u>Ending</u><br><u>June 30,</u> | <u>Contractually</u><br><u>Required</u><br><u>Contribution</u> | <u>Contributions in</u><br><u>Relation to the</u><br><u>Contractually</u><br><u>Required</u><br><u>Contributions</u> | <u>Contribution</u><br><u>Deficiency</u><br><u>(Excess)</u> | <u>District's</u><br><u>Covered-</u><br><u>Employee</u><br><u>Payroll</u> | <u>Contributions as</u><br><u>a Percentage of</u><br><u>Covered-</u><br><u>Employee</u><br><u>Payroll</u> |
|--|--|--|---|---|---|
| 2014   | \$ 919,030   | \$ 919,030   | \$ -0-  | \$ 7,725,867.00   | 11.90%  |
| 2015   | 982,471  | 982,471  | -0-   | 8,083,793.00  | 12.15%  |
| 2016   | 1,095,143  | 1,095,143  | -0-   | 8,477,608.00  | 12.92%  |
| 2017   | 1,128,675  | 1,128,675  | -0-   | 8,331,825.00  | 13.55%  |
| 2018   | 1,204,291  | 1,204,291  | -0-   | 8,260,521.00  | 14.58%  |
| 2019   | 1,209,353  | 1,209,353  | -0-   | 8,866,797.00  | 13.64%  |
| 2020   | 1,373,352  | 1,373,352  | -0-   | 9,228,470.00  | 14.88%  |
| 2021   | 1,524,885  | 1,524,885  | -0-   | 9,188,456.00  | 16.60%  |
| 2022   | 1,616,582  | 1,616,582  | -0-   | 10,065,728.00   | 16.06%  |

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS PENSION AND ANNUITY FUND  
LAST NINE YEARS

| Measurement Date Ending June 30, | District's Proportion of the Net Pension Liability (Asset) | District's Proportionate Share of the Net Pension Liability (Asset) | State's Proportionate Share of the Net Pension Liability associated with the District | District's Covered-Employee Payroll | District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll | State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|----------------------------------|--|---|---|-------------------------------------|---|--|--|
| 2013                             | 0.3270521648%  | \$ -0-  | \$ 165,289,592.00   | 32,315,945.00                       | -0-   | 511.48%  | 33.76%   |
| 2014                             | 0.3306079318%  | -0-   | 176,699,179.00  | 32,649,115.00                       | -0-   | 541.21%  | 33.64%   |
| 2015                             | 0.3289919692%  | -0-   | 207,936,973.00  | 32,824,471.00                       | -0-   | 633.48%  | 28.71%   |
| 2016                             | 0.3286443249%  | -0-   | 258,532,551.00  | 33,691,031.00                       | -0-   | 767.36%  | 22.33%   |
| 2017                             | 0.3287868926%  | -0-   | 221,679,979.00  | 35,898,849.00                       | -0-   | 617.51%  | 25.41%   |
| 2018                             | 0.3335417860%  | -0-   | 212,192,120.00  | 36,460,290.00                       | -0-   | 581.98%  | 26.49%   |
| 2019                             | 0.3424855045%  | -0-   | 210,186,587.00  | 37,111,250.00                       | -0-   | 566.37%  | 26.95%   |
| 2020                             | 0.3415797570%  | -0-   | 224,926,160.00  | 39,484,559.00                       | -0-   | 569.66%  | 24.60%   |
| 2021                             | 0.3398188651%  | -0-   | 163,368,560.00  | 40,683,839.00                       | -0-   | 401.56%  | 35.52%   |

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

| Measurement<br>Date Ending<br><u>June 30,</u> | Discount<br>Rate | Long-Term<br>Expected<br>Rate of<br>Return | Actuarial<br>Experience<br>Study Period |
|---|------------------|--|---|
| 2021  | 7.00%            | 7.00%                                      | 07/01/14-06/30/18                       |
| 2020  | 7.00%            | 7.00%                                      | 07/01/14-06/30/18                       |
| 2019  | 6.28%            | 7.00%                                      | 07/01/14-06/30/18                       |
| 2018  | 5.66%            | 7.00%                                      | 07/01/11-06/30/14                       |
| 2017  | 5.00%            | 7.00%                                      | 07/01/11-06/30/14                       |
| 2016  | 3.98%            | 7.65%                                      | 07/01/11-06/30/14                       |
| 2015  | 4.90%            | 7.90%                                      | 07/01/08-06/30/11                       |
| 2014  | 5.39%            | 7.90%                                      | 07/01/08-06/30/11                       |
| 2013  | 5.55%            | 7.90%                                      | 07/01/08-06/30/11                       |

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

| Measurement<br>Date Ending<br><u>June 30,</u> | Discount<br>Rate | Long-Term<br>Expected<br>Rate of<br>Return | Actuarial<br>Experience<br>Study Period |
|---|------------------|--|---|
| 2021  | 7.00%            | 7.00%                                      | 07/01/15-06/30/18                       |
| 2020  | 5.40%            | 7.00%                                      | 07/01/15-06/30/18                       |
| 2019  | 5.60%            | 7.00%                                      | 07/01/15-06/30/18                       |
| 2018  | 4.86%            | 7.00%                                      | 07/01/12-06/30/15                       |
| 2017  | 4.25%            | 7.00%                                      | 07/01/12-06/30/15                       |
| 2016  | 3.22%            | 7.65%                                      | 07/01/12-06/30/15                       |
| 2015  | 4.13%            | 7.90%                                      | 07/01/09-06/30/12                       |
| 2014  | 4.68%            | 7.90%                                      | 07/01/09-06/30/12                       |
| 2013  | 4.95%            | 7.90%                                      | 07/01/09-06/30/12                       |

**REQUIRED SUPPLEMENTARY INFORMATION - PART IV**

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (GASB 75)**



TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
 SCHEDULE OF CHANGES IN THE DISTRICT'S  
 TOTAL OPEB LIABILITY AND RELATED RATIOS  
 LAST FIVE YEARS

|  | Measurement Date Ended June 30, |               |               |               |               |
|--|---------------------------------|---------------|---------------|---------------|---------------|
|  | 2021                            | 2020          | 2019          | 2018          | 2017          |
| Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District                                  |                                 |               |               |               |               |
| Balance at 6/30  | \$190,763,547                   | \$111,598,689 | \$120,981,415 | \$140,725,316 | \$151,402,507 |
| Changes for the year:  |                                 |               |               |               |               |
| Service cost   | 10,978,147                      | 5,818,006     | 5,654,823     | 6,245,978     | 7,528,604     |
| Interest   | 4,522,805                       | 4,053,712     | 4,837,110     | 5,206,159     | 4,485,113     |
| Changes of benefit terms and actual experience   | (185,574)                       |               |               |               |               |
| Differences between expected and actual experience   | (28,454,551)                    | 37,667,571    | (18,214,407)  | (14,189,622)  |               |
| Changes in assumptions or other inputs   | 172,009                         | 34,845,945    | 1,663,946     | (13,883,223)  | (19,551,434)  |
| Membership Contributions   | 115,626                         | 100,660       | 101,549       | 111,807       | 120,023       |
| Benefit payments - Net   | (3,562,703)                     | (3,321,036)   | (3,425,747)   | (3,235,000)   | (3,259,497)   |
| Net changes  | (16,414,241)                    | 79,164,858    | (9,382,726)   | (19,743,901)  | (10,677,191)  |
| Balance at 6/30  | \$174,349,306                   | \$190,763,547 | \$111,598,689 | \$120,981,415 | \$140,725,316 |
| Covered Employee Payroll   | 49,872,295                      | 48,713,029    | 48,351,356    | 44,720,811    | 44,230,674    |
| District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll                           | -0-                             | -0-           | -0-           | -0-           | -0-           |
| State's Proportionate Share of the Total Non-Employer OPEB Liability associated with the District as a percentage of the District's Covered Employee Payroll | 349.59%                         | 391.61%       | 230.81%       | 270.53%       | 318.16%       |

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART IV  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Change in benefit terms:

The implementation of Chapter 44 Plan and contribution strategy affecting pre-Medicare future and current retirees and dependents who enroll in the New Jersey Educator Health Plan option upon retirement and were not grandfathered under Chapter 78 (fewer than 20 years of service as of July 1, 2011) is reflected for the Fiscal Year Ending June 30, 2022 as a Plan change.

Change in assumptions:

The following assumptions were used in calculating the net OPEB liability in their respective accounting periods:

| Measurement<br>Date Ending<br><u>June 30,</u> | Discount<br><u>Rate</u> |
|---|-------------------------|
| 2021  | 2.16%                   |
| 2020  | 2.21%                   |
| 2019  | 3.50%                   |
| 2018  | 3.87%                   |

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND DETAIL STATEMENTS**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|  | IDEA<br>Basic        | IDEA<br>Preschool   | Title I              | Title II<br>Part A   | Title III           | Title IV           | CARES-<br>ESSERE | AGSERS              |
|--|----------------------|---------------------|----------------------|----------------------|---------------------|--------------------|------------------|---------------------|
| <b>REVENUES:</b>   |                      |                     |                      |                      |                     |                    |                  |                     |
| State sources  | \$ 891,054.94        |                     |                      |                      |                     |                    |                  |                     |
| Federal sources  |                      | \$ 25,516.00        | \$ 318,034.15        | \$ 117,978.85        | \$ 13,973.27        | \$ 1,839.00        | \$ 423.00        | \$ 31,395.00        |
| Other sources  |                      |                     |                      |                      |                     |                    |                  |                     |
| <b>Total revenues</b>  | <b>\$ 891,054.94</b> | <b>\$ 25,516.00</b> | <b>\$ 318,034.15</b> | <b>\$ 117,978.85</b> | <b>\$ 13,973.27</b> | <b>\$ 1,839.00</b> | <b>\$ 423.00</b> | <b>\$ 31,395.00</b> |
| <b>EXPENDITURES:</b>   |                      |                     |                      |                      |                     |                    |                  |                     |
| Instruction:   |                      |                     |                      |                      |                     |                    |                  |                     |
| Salaries of teachers   |                      | \$ 23,703.00        | \$ 188,665.28        |                      | \$ 9,597.82         |                    |                  | \$ 125.93           |
| Other salaries   |                      |                     | 53,826.23            |                      |                     | 601.00             |                  |                     |
| Purchased professional and technical services  |                      |                     |                      |                      |                     |                    |                  |                     |
| Other purchased services   |                      |                     |                      |                      |                     |                    |                  |                     |
| Tuition  | 714,016.97           |                     |                      |                      |                     |                    |                  |                     |
| General supplies   | 32,877.97            |                     | 82,969.62            |                      | 601.45              |                    |                  |                     |
| Textbooks  |                      |                     |                      |                      |                     |                    |                  |                     |
| <b>Total instruction</b>   | <b>\$ 746,894.94</b> | <b>\$ 23,703.00</b> | <b>\$ 305,481.13</b> |                      | <b>\$ 10,199.27</b> | <b>\$ 1,839.00</b> | <b>\$ 125.93</b> |                     |
| Other salaries   |                      |                     |                      | \$ 5,026.60          |                     |                    |                  |                     |
| Purchased professional and technical services  |                      |                     |                      | 96,780.00            |                     |                    |                  |                     |
| Personal services - employee benefits  |                      |                     |                      | 414.11               |                     |                    |                  |                     |
| Other purchased services   |                      | 1,813.00            | 12,553.02            |                      |                     |                    | 297.07           |                     |
| Supplies and materials   |                      |                     |                      | 8,500.00             |                     |                    |                  |                     |
| Student Activities   |                      |                     |                      | 6,258.14             |                     |                    |                  |                     |
| Scholarships   |                      |                     |                      |                      |                     |                    |                  |                     |
| <b>Total support services</b>  |                      | <b>\$ 1,813.00</b>  | <b>\$ 12,553.02</b>  | <b>\$ 117,978.85</b> | <b>\$ 3,774.00</b>  |                    | <b>\$ 297.07</b> |                     |
| <b>Total expenditures</b>  | <b>\$ 891,054.94</b> | <b>\$ 25,516.00</b> | <b>\$ 318,034.15</b> | <b>\$ 117,978.85</b> | <b>\$ 13,973.27</b> | <b>\$ 1,839.00</b> | <b>\$ 423.00</b> | <b>\$ 31,395.00</b> |
| <b>Excess/(Deficiency) of Revenues Over/<br/>(Under) Expenditures and Other<br/>Financing Sources/(Uses)</b> |                      |                     |                      |                      |                     |                    |                  |                     |
| Fund Balance, July 1   |                      |                     |                      |                      |                     |                    |                  |                     |
| Fund Balance, June 30  |                      |                     |                      |                      |                     |                    |                  |                     |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|   | CRRSA-<br>ESSER II   | CRRSA-<br>ESSER II-<br>Mental Health | ARP - ESSER<br>Accelerated Learning | ARP - ESSER<br>Comprehensive Beyond<br>the School Day Activities | ARP - ESSER<br>Mental Health |
|---|----------------------|--------------------------------------|-------------------------------------|--|------------------------------|
| <b>REVENUES:</b>                              |                      |                                      |                                     |  |                              |
| State sources                                 | \$ 299,619.24        | \$ 12,000.00                         | \$ 50,841.61                        | \$ 7,785.02  | \$ 6,387.44                  |
| Federal sources                               |                      |                                      |                                     |  |                              |
| Other sources                                 |                      |                                      |                                     |  |                              |
| <b>Total revenues</b>                         | <b>\$ 299,619.24</b> | <b>\$ 12,000.00</b>                  | <b>\$ 50,841.61</b>                 | <b>\$ 7,785.02</b>   | <b>\$ 6,387.44</b>           |
| <b>EXPENDITURES:</b>                          |                      |                                      |                                     |  |                              |
| Instruction:                                  |                      |                                      |                                     |  |                              |
| Salaries of teachers                          | \$ 105,578.23        | \$                                   | \$                                  | \$ 7,018.60  | \$                           |
| Other salaries                                |                      |                                      | 24,700.00                           |  |                              |
| Purchased professional & technical services   |                      |                                      | 25,521.61                           |  |                              |
| Other purchased services                      |                      |                                      |                                     |  |                              |
| Tuition                                       |                      |                                      | 363.31                              |  |                              |
| General supplies                              | 6,476.79             |                                      | 19,919.78                           |  |                              |
| Textbooks                                     |                      |                                      | 620.00                              |  |                              |
| <b>Total instruction</b>                      | <b>\$ 112,155.02</b> | <b>\$</b>                            | <b>\$ 20,283.09</b>                 | <b>\$ 7,018.60</b>   | <b>\$</b>                    |
| Other salaries                                | \$ 89,003.40         | \$                                   | \$                                  | \$   | \$                           |
| Purchased professional and technical services | 2,800.00             | 2,500.00                             |                                     |  |                              |
| Personal services - employee benefits         | 14,156.95            |                                      |                                     |  |                              |
| Other purchased services                      | 38,825.72            | 4,500.00                             |                                     |  |                              |
| Supplies and materials                        | 42,678.15            | 5,000.00                             |                                     |  |                              |
| Student Activities                            |                      |                                      |                                     |  |                              |
| Scholarships                                  |                      |                                      |                                     |  |                              |
| <b>Total support services</b>                 | <b>\$ 187,464.22</b> | <b>\$ 12,000.00</b>                  | <b>\$ 178,989.45</b>                | <b>\$ 7,785.02</b>   | <b>\$ 6,387.44</b>           |
| <b>Total expenditures</b>                     | <b>\$ 299,619.24</b> | <b>\$ 12,000.00</b>                  | <b>\$ 50,841.61</b>                 | <b>\$ 7,785.02</b>   | <b>\$ 6,387.44</b>           |
| <b>Excess/(Deficiency) of Revenues Over/</b>  |                      |                                      |                                     |  |                              |
| <b>(under) Expenditures and Other</b>         |                      |                                      |                                     |  |                              |
| <b>Financing Sources/(Uses)</b>               |                      |                                      |                                     |  |                              |
| Fund Balance, July 1                          |                      |                                      |                                     |  |                              |
| Fund Balance, June 30                         |                      |                                      |                                     |  |                              |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|   | ARP-IDEA<br>BASIC | ARP-IDEA<br>PRESCHOOL | SDA EMERGENCY<br>NEEDS | Nonpublic<br>Textbooks | Nonpublic<br>Technology | Nonpublic<br>Security | Nonpublic<br>Nursing |
|---|-------------------|-----------------------|------------------------|------------------------|-------------------------|-----------------------|----------------------|
| REVENUES:   |                   |                       |                        |                        |                         |                       |                      |
| State sources   | \$ 162,845.00     |                       | \$ 114,675.00          | \$ 9,053.00            | \$ 6,187.00             | \$ 29,370.00          | \$ 18,650.00         |
| Federal sources   |                   | \$ 17,241.00          |                        |                        |                         |                       |                      |
| Other sources   |                   |                       |                        |                        |                         |                       |                      |
| Total revenues  | \$ 162,845.00     | \$ 17,241.00          | \$ 114,675.00          | \$ 9,053.00            | \$ 6,187.00             | \$ 29,370.00          | \$ 18,650.00         |
| EXPENDITURES:   |                   |                       |                        |                        |                         |                       |                      |
| Instruction:  |                   |                       |                        |                        |                         |                       |                      |
| Salaries of teachers  | \$                | \$ 16,016.00          | \$                     | \$                     | \$                      | \$                    | \$                   |
| Other salaries  |                   |                       |                        |                        |                         |                       |                      |
| Purchased professional & technical services   |                   |                       |                        |                        |                         |                       | 18,650.00            |
| Other purchased services  |                   |                       |                        |                        |                         |                       |                      |
| Tuition   | 162,845.00        |                       |                        |                        |                         |                       |                      |
| General supplies  |                   |                       |                        | 9,053.00               |                         |                       |                      |
| Textbooks   |                   |                       |                        |                        | 6,187.00                |                       |                      |
| Total instruction   | \$ 162,845.00     | \$ 16,016.00          | \$                     | \$ 9,053.00            | \$ 6,187.00             | \$ 29,370.00          | \$ 18,650.00         |
| Other salaries  | \$                | \$                    | \$                     | \$                     | \$                      | \$                    | \$                   |
| Purchased professional and technical services   |                   |                       |                        |                        |                         |                       |                      |
| Personal services - employee benefits   |                   | 1,225.00              |                        |                        |                         |                       |                      |
| Other purchased services  |                   |                       | 114,675.00             |                        |                         |                       |                      |
| Supplies and materials  |                   |                       |                        |                        |                         |                       |                      |
| Student Activities  |                   |                       |                        |                        |                         |                       |                      |
| Scholarships  |                   |                       |                        |                        |                         |                       |                      |
| Total support services  | \$                | \$ 1,225.00           | \$ 114,675.00          | \$                     | \$                      | \$                    | \$                   |
| Total expenditures  | \$ 162,845.00     | \$ 17,241.00          | \$ 114,675.00          | \$ 9,053.00            | \$ 6,187.00             | \$ 29,370.00          | \$ 18,650.00         |
| Excess/(Deficiency) of Revenues Over/<br>(under) Expenditures and Other<br>Financing Sources/(Uses) |                   |                       |                        |                        |                         |                       |                      |
| Fund Balance, July 1  |                   |                       |                        |                        |                         |                       |                      |
| Fund Balance, June 30   |                   |                       |                        |                        |                         |                       |                      |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|   | Ch. 193<br>Examination &<br>Classification | Ch. 193<br>Corrective<br>Speech | Ch. 193<br>Supplemental<br>Instruction | Scholarship<br>Funds | Student<br>Activity<br>Funds | Other Local<br>Programs | TOTAL           |
|---|--|---------------------------------|--|----------------------|------------------------------|-------------------------|-----------------|
| REVENUES:   |  |                                 |  |                      |                              |                         |                 |
| State sources   | \$ 5,118.61                                | \$ 3,999.00                     | \$ 330.39                              |                      |                              |                         | \$ 187,383.00   |
| Federal sources   |  |                                 |  |                      |                              |                         | 2,156,206.06    |
| Other sources   |  |                                 |  | 3,814.01             | 737,963.09                   | 47,874.14               | 789,651.24      |
| Total revenues  | \$ 5,118.61                                | \$ 3,999.00                     | \$ 330.39                              | \$ 3,814.01          | \$ 737,963.09                | \$ 47,874.14            | \$ 3,133,240.30 |
| EXPENDITURES:   |  |                                 |  |                      |                              |                         |                 |
| Instruction:  |  |                                 |  |                      |                              |                         |                 |
| Salaries of teachers  |  |                                 |  |                      |                              |                         | 318,569.86      |
| Other salaries  |  |                                 |  |                      |                              | 3,750.00                | 16,016.00       |
| Purchased professional & technical services   | 5,118.61                                   | 3,999.00                        | 330.39                                 |                      |                              | 2,000.00                | 108,624.23      |
| Other purchased services  |  |                                 |  |                      |                              |                         | 26,485.92       |
| Tuition   |  |                                 |  |                      |                              |                         | 875,861.97      |
| General supplies  |  |                                 |  |                      |                              | 17,641.32               | 197,901.93      |
| Textbooks   |  |                                 |  |                      |                              |                         | 9,053.00        |
| Total instruction   | \$ 5,118.61                                | \$ 3,999.00                     | \$ 330.39                              | \$                   | \$                           | \$ 23,391.32            | \$ 1,553,501.91 |
| Other salaries  |  |                                 |  |                      |                              |                         |                 |
| Purchased professional and technical services   |  |                                 |  |                      |                              |                         | 155,140.53      |
| Personal services - employee benefits   |  |                                 |  |                      |                              | 320.00                  | 19,575.00       |
| Other purchased services  |  |                                 |  |                      |                              | 10.71                   | 37,552.87       |
| Supplies and materials  |  |                                 |  |                      |                              | 3,181.00                | 173,581.72      |
| Student Activities  |  |                                 |  |                      | 712,966.62                   | 1,396.11                | 98,125.67       |
| Scholarships  |  |                                 |  | 5,050.00             |                              |                         | 712,966.62      |
| Total support services  |  |                                 |  | \$ 5,050.00          | \$ 712,966.62                | \$ 24,482.82            | \$ 1,556,007.91 |
| Total expenditures  | \$ 5,118.61                                | \$ 3,999.00                     | \$ 330.39                              | \$ 5,050.00          | \$ 712,966.62                | \$ 47,874.14            | \$ 3,109,509.82 |
| Excess/(Deficiency) of Revenues Over/<br>(under) Expenditures and Other<br>Financing Sources/(Uses) |  |                                 |  | (1,235.99)           | 24,966.47                    |                         | 23,730.48       |
| Fund Balance, July 1  |  |                                 |  | 30,614.58            | 455,923.08                   |                         | 486,537.67      |
| Fund Balance, June 30   |  |                                 |  | 29,378.60            | 480,889.55                   |                         | 510,268.15      |



TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|                                    | <u>BALANCE</u><br><u>JULY 1, 2021</u> | <u>ADDITIONS</u>     | <u>DELETIONS</u>     | <u>BALANCE</u><br><u>JUNE 30, 2022</u> |
|------------------------------------|---------------------------------------|----------------------|----------------------|--|
| <b>ASSETS:</b>                     |                                       |                      |                      |  |
| Cash and cash equivalents          | \$ 455,923.08                         | \$ 737,963.09        | \$ 712,996.62        | \$ 480,889.55                          |
| <b>Total assets</b>                | <b>\$ 455,923.08</b>                  | <b>\$ 737,963.09</b> | <b>\$ 712,996.62</b> | <b>\$ 480,889.55</b>                   |
| <b>FUND BALANCE:</b>               |                                       |                      |                      |  |
| Due student groups:                |                                       |                      |                      |  |
| High school activities             | \$ 300,908.01                         | \$ 435,841.47        | \$ 434,641.73        | \$ 302,107.75                          |
| Upper middle activities            | 48,827.01                             | 178,134.48           | 169,550.41           | 57,411.08                              |
| Lower middle activities            | 54,230.74                             | 25,800.01            | 14,572.33            | 65,458.42                              |
| Village elementary activities      | 42,086.61                             | 5,528.51             | 1,544.31             | 46,070.81                              |
| Orchard hill elementary activities | 9,870.71                              | 6,725.52             | 6,754.74             | 9,841.49                               |
| Athletic activities                |                                       | 85,933.10            | 85,933.10            |  |
| <b>Total fund balance</b>          | <b>\$ 455,923.08</b>                  | <b>\$ 737,963.09</b> | <b>\$ 712,996.62</b> | <b>\$ 480,889.55</b>                   |

**CAPITAL PROJECTS FUND DETAIL STATEMENTS**

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES-BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| ISSUE/PROJECT TITLE                            | ORIGINAL DATE | REVISED AUTHORIZED COST | EXPENDITURES TO DATE |                 | UNEXPENDED BALANCE JUNE 30, 2022 |
|--|---------------|-------------------------|----------------------|-----------------|----------------------------------|
|  |               |                         | PRIOR YEAR(S)        | CURRENT YEAR    |                                  |
| High School Improvements                       | 2016          | \$ 1,670,787.65         | \$ 1,612,052.63      | \$              | \$ 58,735.02                     |
| Upper Middle School Improvements               | 2016          | 6,181,601.70            | 5,399,950.45         | 775,989.00      | 5,662.25                         |
| Lower Middle School Improvements               | 2016          | 3,960,552.66            | 3,918,035.50         |                 | 42,517.16                        |
| Orchard Hill Elementary School Improvements I  | 2016          | 3,123,993.31            | 3,023,714.46         |                 | 100,278.85                       |
| Orchard Hill Elementary School Improvements II | 2016          | 1,359,005.94            | 1,319,023.55         |                 | 39,982.39                        |
| Village Elementary School Improvements         | 2016          | 2,794,953.87            | 2,721,841.41         |                 | 73,112.46                        |
| Alyssa's Law- Security Grant                   | 2022          | 267,839.00              |                      | 230,955.41      | 36,883.59                        |
|  |               | \$ 19,358,734.13        | \$ 17,994,618.00     | \$ 1,006,944.41 | \$ 357,171.72                    |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Revenues and financing sources:

|                                      |               |
|--------------------------------------|---------------|
| Interest on Investments              | \$ 9,021.88   |
| Grants                               | 267,839.00    |
|                                      | <hr/>         |
| Total revenues and financing sources | \$ 276,860.88 |

Expenditures and financing uses:

|   |                 |
|---|-----------------|
| Purchased professional and technical services | \$ 54,000.00    |
| Construction services                         | 952,944.41      |
| Operating Transfers Out-Debt Service Fund     | 9,021.88        |
|   | <hr/>           |
| Total expenditures and Transfers              | \$ 1,015,966.29 |

|                             |                 |
|-----------------------------|-----------------|
| Net change in fund balances | \$ (739,105.41) |
|-----------------------------|-----------------|

|  |                    |
|--|--------------------|
| Fund balance - beginning - budgetary basis | <hr/> 1,096,277.13 |
|--|--------------------|

|   |                           |
|---|---------------------------|
| Fund balance - ending - budgetary basis | \$ <hr/> <hr/> 357,171.72 |
|---|---------------------------|

Reconciliation to GAAP Basis:

|   |                           |
|---|---------------------------|
| Fund balance - budgetary basis          | \$ 357,171.72             |
| Alyssa grant - unearned revenue         | (152,824.35)              |
| Add: Encumbrances                       | 602,369.67                |
|   | <hr/>                     |
| Fund balance - GAAP basis (exhibit B-1) | \$ <hr/> <hr/> 806,717.04 |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND  
PROJECT STATUS - BUDGETARY BASIS  
HIGH SCHOOL IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|  | <u>Prior Periods</u>   | <u>Current Year</u> | <u>Totals</u>          | <u>Revised<br/>Authorized<br/>Cost</u> |
|--|------------------------|---------------------|------------------------|--|
| <b>Revenues and Other Financing Sources</b>                  |                        |                     |                        |  |
| Bond Proceeds  | \$ 1,670,787.65        | \$ _____            | \$ 1,670,787.65        | \$ 1,670,787.65                        |
| Total revenues   | <u>\$ 1,670,787.65</u> | <u>\$ _____</u>     | <u>\$ 1,670,787.65</u> | <u>\$ 1,670,787.65</u>                 |
| <b>Expenditures and Other Financing Uses</b>                 |                        |                     |                        |  |
| Purchased professional & technical services                  | \$ 103,419.13          | \$ _____            | \$ 103,419.13          | \$ 109,326.15                          |
| Construction services  | 1,508,633.50           | _____               | 1,508,633.50           | 1,561,461.50                           |
| Total expenditures   | <u>\$ 1,612,052.63</u> | <u>\$ _____</u>     | <u>\$ 1,612,052.63</u> | <u>\$ 1,670,787.65</u>                 |
| Excess (deficiency) or revenues over<br>(under) expenditures | <u>\$ 58,735.02</u>    | <u>\$ _____</u>     | <u>\$ 58,735.02</u>    |  |
| <b>Additional project information:</b>                       |                        |                     |                        |  |
| Project Number   | 3320-030-15-2000       |                     |                        |  |
| Grant Date   |                        |                     |                        |  |
| Bond Authorization Date                                      | 5/3/2016               |                     |                        |  |
| Bonds Authorized   | 1,044,475.00           |                     |                        |  |
| Bonds Issued   | 1,044,475.00           |                     |                        |  |
| SCC Amount   |                        |                     |                        |  |
| Local Share  |                        |                     |                        |  |
| Original Authorized Cost                                     | 1,044,475.00           |                     |                        |  |
| Additional Authorized Cost                                   | 626,312.65             |                     |                        |  |
| Revised Authorized Cost                                      | 1,670,787.65           |                     |                        |  |
| Percentage Increase over Original<br>Authorized Cost         | 59.96%                 |                     |                        |  |
| Percentage completion  | 96%                    |                     |                        |  |
| Original target completion date                              | 9/1/2017               |                     |                        |  |
| Revised target completion date                               | 6/30/2019              |                     |                        |  |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND  
PROJECT STATUS - BUDGETARY BASIS  
UPPER MIDDLE SCHOOL IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|  | <u>Prior Periods</u>   | <u>Current Year</u>    | <u>Totals</u>          | <u>Revised<br/>Authorized<br/>Cost</u> |
|--|------------------------|------------------------|------------------------|--|
| Revenues and Other Financing Sources                         |                        |                        |                        |  |
| Bond Proceeds  | \$ 5,592,706.57        | \$                     | \$ 5,592,706.57        | \$ 5,592,706.57                        |
| Other Sources  | 338,895.13             |                        | 338,895.13             | 338,895.13                             |
| Capital Outlay Transfer                                      | 250,000.00             |                        | 250,000.00             | 250,000.00                             |
| Total revenues   | <u>\$ 6,181,601.70</u> | <u>\$</u>              | <u>\$ 6,181,601.70</u> | <u>\$ 6,181,601.70</u>                 |
| Expenditures and Other Financing Uses                        |                        |                        |                        |  |
| Purchased professional & technical services                  | \$ 393,633.06          | \$ 54,000.00           | \$ 447,633.06          | \$ 450,072.80                          |
| Construction services  | 4,790,959.06           | 721,989.00             | 5,512,948.06           | 5,516,169.90                           |
| Equipment  | 215,358.33             |                        | 215,358.33             | 215,359.00                             |
| Total expenditures   | <u>\$ 5,399,950.45</u> | <u>\$ 775,989.00</u>   | <u>\$ 6,175,939.45</u> | <u>\$ 6,181,601.70</u>                 |
| Excess (deficiency) or revenues over<br>(under) expenditures | <u>\$ 781,651.25</u>   | <u>\$ (775,989.00)</u> | <u>5,662.25</u>        |  |
| Additional project information:                              |                        |                        |                        |  |
| Project Number   | 3320-070-15-1000       |                        |                        |  |
| Grant Date   |                        |                        |                        |  |
| Bond Authorization Date                                      | 5/3/2016               |                        |                        |  |
| Bonds Authorized   | 4,073,080.00           |                        |                        |  |
| Bonds Issued   | 4,073,080.00           |                        |                        |  |
| SCC Amount   |                        |                        |                        |  |
| Local Share  |                        |                        |                        |  |
| Original Authorized Cost                                     | 4,073,080.00           |                        |                        |  |
| Additional Authorized Cost                                   | 2,108,521.70           |                        |                        |  |
| Revised Authorized Cost                                      | 6,181,601.70           |                        |                        |  |
| Percentage Increase over Original<br>Authorized Cost         | 51.77%                 |                        |                        |  |
| Percentage completion  | 100%                   |                        |                        |  |
| Original target completion date                              | 9/1/2017               |                        |                        |  |
| Revised target completion date                               | 11/15/2019             |                        |                        |  |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND  
PROJECT STATUS - BUDGETARY BASIS  
LOWER MIDDLE SCHOOL IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|  | <u>Prior Periods</u>   | <u>Current Year</u> | <u>Totals</u>          | <u>Revised<br/>Authorized<br/>Cost</u> |
|--|------------------------|---------------------|------------------------|--|
| <b>Revenues and Other Financing Sources</b>                  |                        |                     |                        |  |
| Bond Proceeds  | \$ 3,960,552.66        | \$ _____            | \$ 3,960,552.66        | \$ 3,960,552.66                        |
| Total revenues   | <u>\$ 3,960,552.66</u> | <u>\$ _____</u>     | <u>\$ 3,960,552.66</u> | <u>\$ 3,960,552.66</u>                 |
| <b>Expenditures and Other Financing Uses</b>                 |                        |                     |                        |  |
| Purchased professional & technical services                  | \$ 426,988.44          | \$ _____            | \$ 426,988.44          | \$ 457,644.16                          |
| Construction services  | 3,491,047.06           | _____               | 3,491,047.06           | 3,502,908.50                           |
| Total expenditures   | <u>\$ 3,918,035.50</u> | <u>\$ _____</u>     | <u>\$ 3,918,035.50</u> | <u>\$ 3,960,552.66</u>                 |
| Excess (deficiency) or revenues over<br>(under) expenditures | <u>\$ 42,517.16</u>    | <u>\$ _____</u>     | <u>\$ 42,517.16</u>    |  |
| <b>Additional project information:</b>                       |                        |                     |                        |  |
| Project Number   | 3320-045-15-1000       |                     |                        |  |
| Grant Date   |                        |                     |                        |  |
| Bond Authorization Date                                      | 5/3/2016               |                     |                        |  |
| Bonds Authorized   | 5,226,029.00           |                     |                        |  |
| Bonds Issued   | 5,226,029.00           |                     |                        |  |
| SCC Amount   |                        |                     |                        |  |
| Local Share  |                        |                     |                        |  |
| Original Authorized Cost                                     | 5,226,029.00           |                     |                        |  |
| Additional Authorized Cost                                   | (1,265,476.34)         |                     |                        |  |
| Revised Authorized Cost                                      | 3,960,552.66           |                     |                        |  |
| Percentage Increase over Original<br>Authorized Cost         | (24.21%)               |                     |                        |  |
| Percentage completion  | 99%                    |                     |                        |  |
| Original target completion date                              | 9/1/2017               |                     |                        |  |
| Revised target completion date                               | 9/1/2019               |                     |                        |  |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND  
PROJECT STATUS - BUDGETARY BASIS  
ORCHARD HILL ELEMENTARY SCHOOL IMPROVEMENTS I  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|  | <u>Prior Periods</u>   | <u>Current Year</u> | <u>Totals</u>          | <u>Revised<br/>Authorized<br/>Cost</u> |
|--|------------------------|---------------------|------------------------|--|
| <b>Revenues and Other Financing Sources</b>                  |                        |                     |                        |  |
| Bond Proceeds  | \$ 3,123,993.31        | \$ _____            | \$ 3,123,993.31        | \$ 3,123,993.31                        |
| Total revenues   | <u>\$ 3,123,993.31</u> | <u>\$ _____</u>     | <u>\$ 3,123,993.31</u> | <u>\$ 3,123,993.31</u>                 |
| <b>Expenditures and Other Financing Uses</b>                 |                        |                     |                        |  |
| Purchased professional & technical services                  | \$ 189,081.63          | \$ _____            | \$ 189,081.63          | \$ 204,142.65                          |
| Construction services  | 2,834,632.83           | _____               | 2,834,632.83           | 2,919,850.66                           |
| Total expenditures   | <u>\$ 3,023,714.46</u> | <u>\$ _____</u>     | <u>\$ 3,023,714.46</u> | <u>\$ 3,123,993.31</u>                 |
| Excess (deficiency) or revenues over<br>(under) expenditures | <u>\$ 100,278.85</u>   | <u>\$ _____</u>     | <u>\$ 100,278.85</u>   |  |
| <b>Additional project information:</b>                       |                        |                     |                        |  |
| Project Number   | 3320-080-15-1000       |                     |                        |  |
| Grant Date   |                        |                     |                        |  |
| Bond Authorization Date                                      | 5/3/2016               |                     |                        |  |
| Bonds Authorized   | 2,256,480.00           |                     |                        |  |
| Bonds Issued   | 2,256,480.00           |                     |                        |  |
| SCC Amount   |                        |                     |                        |  |
| Local Share  |                        |                     |                        |  |
| Original Authorized Cost                                     | 2,256,480.00           |                     |                        |  |
| Additional Authorized Cost                                   | 867,513.31             |                     |                        |  |
| Revised Authorized Cost                                      | 3,123,993.31           |                     |                        |  |
| Percentage Increase over Original<br>Authorized Cost         | 38.45%                 |                     |                        |  |
| Percentage completion  | 97%                    |                     |                        |  |
| Original target completion date                              | 9/1/2017               |                     |                        |  |
| Revised target completion date                               | 9/1/2019               |                     |                        |  |



TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND  
PROJECT STATUS - BUDGETARY BASIS  
ORCHARD HILL ELEMENTARY SCHOOL IMPROVEMENTS II  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|  | <u>Prior Periods</u>   | <u>Current Year</u> | <u>Totals</u>          | <u>Revised<br/>Authorized<br/>Cost</u> |
|--|------------------------|---------------------|------------------------|--|
| <b>Revenues and Other Financing Sources</b>                  |                        |                     |                        |  |
| Bond Proceeds  | \$ 1,359,005.94        | \$ _____            | \$ 1,359,005.94        | \$ 1,359,005.94                        |
| Total revenues   | <u>\$ 1,359,005.94</u> | <u>\$ _____</u>     | <u>\$ 1,359,005.94</u> | <u>\$ 1,359,005.94</u>                 |
| <b>Expenditures and Other Financing Uses</b>                 |                        |                     |                        |  |
| Purchased professional & technical services                  | \$ 370,330.47          | \$ _____            | \$ 370,330.47          | \$ 381,577.60                          |
| Construction services  | 948,693.08             | _____               | 948,693.08             | 977,428.34                             |
| Total expenditures   | <u>\$ 1,319,023.55</u> | <u>\$ _____</u>     | <u>\$ 1,319,023.55</u> | <u>\$ 1,359,005.94</u>                 |
| Excess (deficiency) or revenues over<br>(under) expenditures | <u>\$ 39,982.39</u>    | <u>\$ _____</u>     | <u>\$ 39,982.39</u>    |  |
| <b>Additional project information:</b>                       |                        |                     |                        |  |
| Project Number   | 3320-080-16-1000       |                     |                        |  |
| Grant Date   |                        |                     |                        |  |
| Bond Authorization Date                                      | 5/3/2016               |                     |                        |  |
| Bonds Authorized   | 3,228,750.00           |                     |                        |  |
| Bonds Issued   | 3,228,750.00           |                     |                        |  |
| SCC Amount   |                        |                     |                        |  |
| Local Share  |                        |                     |                        |  |
| Original Authorized Cost                                     | 3,228,750.00           |                     |                        |  |
| Additional Authorized Cost                                   | (1,869,744.06)         |                     |                        |  |
| Revised Authorized Cost                                      | 1,359,005.94           |                     |                        |  |
| Percentage Increase over Original<br>Authorized Cost         | (57.91%)               |                     |                        |  |
| Percentage completion  | 97%                    |                     |                        |  |
| Original target completion date                              | 9/1/2017               |                     |                        |  |
| Revised target completion date                               | 9/1/2019               |                     |                        |  |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND  
PROJECT STATUS - BUDGETARY BASIS  
VILLAGE ELEMENTARY SCHOOL IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|  | <u>Prior Periods</u>   | <u>Current Year</u> | <u>Totals</u>          | <u>Revised<br/>Authorized<br/>Cost</u> |
|--|------------------------|---------------------|------------------------|--|
| <b>Revenues and Other Financing Sources</b>                  |                        |                     |                        |  |
| Bond Proceeds  | \$ 2,794,953.87        | \$ _____            | \$ 2,794,953.87        | \$ 2,794,953.87                        |
| Total revenues   | <u>\$ 2,794,953.87</u> | <u>\$ _____</u>     | <u>\$ 2,794,953.87</u> | <u>\$ 2,794,953.87</u>                 |
| <b>Expenditures and Other Financing Uses</b>                 |                        |                     |                        |  |
| Purchased professional & technical services                  | \$ 313,332.48          | \$ _____            | \$ 313,332.48          | \$ 315,063.90                          |
| Construction services  | 2,408,508.93           | _____               | 2,408,508.93           | 2,447,631.97                           |
| Equipment  | _____                  | _____               | _____                  | 32,258.00                              |
| Total expenditures   | <u>\$ 2,721,841.41</u> | <u>\$ _____</u>     | <u>\$ 2,721,841.41</u> | <u>\$ 2,794,953.87</u>                 |
| Excess (deficiency) or revenues over<br>(under) expenditures | <u>\$ 73,112.46</u>    | <u>\$ _____</u>     | <u>\$ 73,112.46</u>    |  |
| <b>Additional project information:</b>                       |                        |                     |                        |  |
| Project Number   | 3320-105-15-1000       |                     |                        |  |
| Grant Date   |                        |                     |                        |  |
| Bond Authorization Date                                      | 5/3/2016               |                     |                        |  |
| Bonds Authorized   | 2,673,186.00           |                     |                        |  |
| Bonds Issued   | 2,673,186.00           |                     |                        |  |
| SCC Amount   |                        |                     |                        |  |
| Local Share  |                        |                     |                        |  |
| Original Authorized Cost                                     | 2,673,186.00           |                     |                        |  |
| Additional Authorized Cost                                   | 121,767.87             |                     |                        |  |
| Revised Authorized Cost                                      | 2,794,953.87           |                     |                        |  |
| Percentage Increase over Original<br>Authorized Cost         | 4.56%                  |                     |                        |  |
| Percentage completion  | 97%                    |                     |                        |  |
| Original target completion date                              | 9/1/2017               |                     |                        |  |
| Revised target completion date                               | 9/30/2021              |                     |                        |  |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND  
PROJECT STATUS - BUDGETARY BASIS  
ALYSSA'S LAW- SECURITY GRANT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|  | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised<br/>Authorized<br/>Cost</u> |
|--|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources                         |                      |                     |               |  |
| Grants   | \$ _____             | \$ 267,839.00       | \$ 267,839.00 | \$ 267,839.00                          |
| Total revenues   | \$ _____             | \$ 267,839.00       | \$ 267,839.00 | \$ 267,839.00                          |
| <br>Expenditures and Other Financing Uses                    |                      |                     |               |  |
| Construction services  | \$ _____             | \$ 230,955.41       | \$ 230,955.41 | \$ 267,839.00                          |
| Total expenditures   | \$ _____             | \$ 230,955.41       | \$ 230,955.41 | \$ 267,839.00                          |
| Excess (deficiency) or revenues over<br>(under) expenditures | \$ _____             | \$ 36,883.59        | \$ 36,883.59  |  |
| <br>Additional project information:                          |                      |                     |               |  |
| Project Number   | 22E00118             |                     |               |  |
| Grant Date   | 9/1/21-8/31/22       |                     |               |  |
| Bond Authorization Date                                      |                      |                     |               |  |
| Bonds Authorized   |                      |                     |               |  |
| Bonds Issued   |                      |                     |               |  |
| SCC Amount   |                      |                     |               |  |
| Local Share  |                      |                     |               |  |
| Original Authorized Cost                                     | 267,839.00           |                     |               |  |
| Additional Authorized Cost                                   |                      |                     |               |  |
| Revised Authorized Cost                                      | 267,839.00           |                     |               |  |
| Percentage Increase over Original<br>Authorized Cost         |                      |                     |               |  |
| Percentage completion  | 86%                  |                     |               |  |
| Original target completion date                              | 6/30/2023            |                     |               |  |
| Revised target completion date                               |                      |                     |               |  |

## **LONG-TERM DEBT SCHEDULES**

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds, Installment Purchase Contracts and Capital Leases.

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
 LONG-TERM DEBT  
 SCHEDULE OF SERIAL BONDS  
 JUNE 30, 2022

| ISSUE                       | DATE OF ISSUE | AMOUNT OF ISSUE  | ANNUAL MATURITIES |                 | INTEREST RATE    | BALANCE JUNE 30, 2021 | RETIRED          | BALANCE JUNE 30, 2022 |
|-----------------------------|---------------|------------------|-------------------|-----------------|------------------|-----------------------|------------------|-----------------------|
|                             |               |                  | DATE              | AMOUNT          |                  |                       |                  |                       |
| School Bonds 2016           | 05/03/16      | \$ 18,502,000.00 | 04/15/23          | \$ 1,200,000.00 | 2.000%           |                       |                  |                       |
|                             |               |                  | 04/15/24          | 1,200,000.00    | 2.000%           |                       |                  |                       |
|                             |               |                  | 04/15/25          | 1,600,000.00    | 2.000%           |                       |                  |                       |
|                             |               |                  | 04/15/26          | 1,500,000.00    | 2.000%           |                       |                  |                       |
|                             |               |                  | 04/15/27          | 1,500,000.00    | 2.000%           |                       |                  |                       |
|                             |               |                  | 04/15/28          | 1,500,000.00    | 2.000%           |                       |                  |                       |
|                             |               |                  | 04/15/29          | 1,500,000.00    | 2.000%           |                       |                  |                       |
|                             |               |                  | 04/15/30          | 1,500,000.00    | 2.125%           |                       |                  |                       |
|                             |               |                  | 04/15/31          | 1,502,000.00    | 2.375%           | \$ 14,152,000.00      | \$ 1,150,000.00  | \$ 13,002,000.00      |
|                             |               |                  |                   |                 |                  |                       |                  |                       |
| Refunding School Bonds 2017 | 11/22/16      | 33,695,000.00    | 04/01/23          | 2,165,000.00    | 5.000%           |                       |                  |                       |
|                             |               |                  | 04/01/24          | 2,280,000.00    | 5.000%           |                       |                  |                       |
|                             |               |                  | 04/01/25          | 2,395,000.00    | 5.000%           |                       |                  |                       |
|                             |               |                  | 04/01/26          | 2,525,000.00    | 5.000%           |                       |                  |                       |
|                             |               |                  | 04/01/27          | 2,650,000.00    | 5.000%           |                       |                  |                       |
|                             |               |                  | 04/01/28          | 2,795,000.00    | 4.000%           |                       |                  |                       |
|                             |               |                  | 04/01/29          | 2,910,000.00    | 4.000%           |                       |                  |                       |
|                             |               |                  | 04/01/30          | 3,040,000.00    | 4.000%           |                       |                  |                       |
|                             |               |                  | 04/01/31          | 3,170,000.00    | 4.000%           | 25,985,000.00         | 2,055,000.00     | 23,930,000.00         |
|                             |               |                  |                   |                 |                  |                       |                  |                       |
| Refunding School Bonds 2021 | 07/09/20      | 9,650,000.00     | 08/01/22          | 2,145,000.00    | 5.000%           |                       |                  |                       |
|                             |               |                  | 08/01/23          | 2,195,000.00    | 5.000%           |                       |                  |                       |
|                             |               |                  | 08/01/24          | 2,250,000.00    | 5.000%           |                       |                  |                       |
|                             |               |                  | 08/01/25          | 975,000.00      | 5.000%           | 9,650,000.00          | 2,085,000.00     | 7,565,000.00          |
|                             |               |                  |                   |                 |                  |                       |                  |                       |
|                             |               |                  |                   |                 | \$ 49,787,000.00 | \$ 5,290,000.00       | \$ 44,497,000.00 |                       |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASE CONTRACTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| <u>PURPOSE</u>  | <u>DATE OF LEASE</u> | <u>TERM OF LEASE</u> | <u>AMOUNT OF ORIGINAL PURCHASE PRINCIPAL</u> | <u>INTEREST PAYABLE</u> | <u>INTEREST RATE</u> | <u>BALANCE JULY 1, 2021</u> | <u>ISSUED</u>        | <u>RETIRED</u>         | <u>BALANCE JUNE 30, 2022</u> |
|---|----------------------|----------------------|--|-------------------------|----------------------|-----------------------------|----------------------|------------------------|------------------------------|
| Additions and Renovations to the North Princeton Developmental Center and Improve a Portion of the High School Roof | 10/01/98             | 25                   | \$ 8,960,000.00                              | \$ 2,762,351.60         | 3.81%                | \$ 2,159,497.27             | \$                   | \$ 675,269.15          | \$ 1,484,228.12              |
| Land and Buildings  | 11/23/98             | 25                   | 1,445,000.00                                 | ----                    | ----                 | 115,600.00                  |                      | 57,800.00              | 57,800.00                    |
| School Buses and Equipment  | 9/22/2017            | 5                    | 754,567.00                                   | 26,484.04               | 1.84%                | 148,724.34                  |                      | 148,724.34             |                              |
| IT Equipment  | 6/29/2018            | 4                    | 309,483.88                                   | 14,482.93               | 2.85%                | 79,605.11                   |                      | 79,605.11              |                              |
| School Buses  | 6/29/2018            | 5                    | 561,738.33                                   | 38,455.56               | 2.94%                | 249,127.95                  |                      | 122,757.06             | 126,370.89                   |
| School Buses  | 8/9/2019             | 4                    | 772,423.55                                   | 35,541.40               | 2.13%                | 463,717.66                  |                      | 149,586.42             | 314,131.24                   |
| School Buses  | 5/22/2020            | 4                    | 342,852.00                                   | 9,319.32                | 1.61%                | 255,864.74                  |                      | 83,932.79              | 171,931.95                   |
| Chromebooks   | 5/22/2020            | 3                    | 360,000.00                                   | 6,499.86                | 1.52%                | 238,880.71                  |                      | 118,540.70             | 120,340.01                   |
| School Buses  | 7/1/2021             | 4                    | 200,670.00                                   | 5,727.25                | 1.36%                |                             | 200,670.00           | 41,044.78              | 159,625.22                   |
|   |                      |                      |  |                         |                      | <u>\$ 3,711,017.78</u>      | <u>\$ 200,670.00</u> | <u>\$ 1,477,260.35</u> | <u>\$ 2,434,427.43</u>       |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|   | <u>BUDGET</u>          | <u>FINAL<br/>BUDGET</u> | <u>ACTUAL</u>          | <u>VARIANCE</u>    |
|---|------------------------|-------------------------|------------------------|--------------------|
| <b>REVENUES:</b>  |                        |                         |                        |                    |
| Local sources:  |                        |                         |                        |                    |
| Local tax levy  | \$ 7,206,184.00        | \$ 7,206,184.00         | \$ 7,206,184.00        | \$                 |
| State sources:  |                        |                         |                        |                    |
| Debt service aid type II  | 691,892.00             | 691,892.00              | 691,892.00             |                    |
| <b>Total revenues</b>   | <u>\$ 7,898,076.00</u> | <u>\$ 7,898,076.00</u>  | <u>\$ 7,898,076.00</u> | <u>\$</u>          |
| <b>EXPENDITURES:</b>  |                        |                         |                        |                    |
| Regular debt service:   |                        |                         |                        |                    |
| Principal payment - installment purchase agreements   | \$ 743,105.00          | \$ 743,105.00           | \$ 743,104.19          | \$ 0.81            |
| Interest payments - installment purchase agreements   | 56,248.00              | 56,248.00               | 56,247.81              | 0.19               |
| Interest on bonds   | 1,901,023.00           | 1,901,023.00            | 1,901,022.50           | 0.50               |
| Redemption of bond principal  | 5,290,000.00           | 5,290,000.00            | 5,290,000.00           |                    |
| <b>Total regular debt service-expenditures</b>  | <u>\$ 7,990,376.00</u> | <u>\$ 7,990,376.00</u>  | <u>\$ 7,990,374.50</u> | <u>\$ 1.50</u>     |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>  | <u>\$ (92,300.00)</u>  | <u>\$ (92,300.00)</u>   | <u>\$ (92,298.50)</u>  | <u>\$ 1.50</u>     |
| <b>Other financing sources (uses):</b>  |                        |                         |                        |                    |
| Operating transfers in  |                        |                         | \$ 9,021.88            | \$ 9,021.88        |
| <b>Total other financing sources (uses)</b>   |                        |                         | <u>\$ 9,021.88</u>     | <u>\$ 9,021.88</u> |
| <b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b> | <u>\$ (92,300.00)</u>  | <u>\$ (92,300.00)</u>   | <u>\$ (83,276.62)</u>  | <u>\$ 9,023.38</u> |
| <b>Fund balance, July 1</b>   | <u>124,439.27</u>      | <u>124,439.27</u>       | <u>124,439.27</u>      |                    |
| <b>Fund balance, June 30</b>  | <u>\$ 32,139.27</u>    | <u>\$ 32,139.27</u>     | <u>\$ 41,162.65</u>    | <u>\$ 9,023.38</u> |

**STATISTICAL SECTION**

**(UNAUDITED)**



TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
STATISTICAL SECTION

| <u>Contents</u>  | <u>Page</u>  |
|--|--------------|
| Financial Trends:  |              |
| These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.  | J-1 to J-4   |
| Revenue Capacity:  |              |
| These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.  | J-5 to J-9   |
| Debt Capacity:   |              |
| These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.                    | J-10 to J-13 |
| Demographic and Economic Information:  |              |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.   | J-14 to J-15 |
| Operating Information:   |              |
| These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs. | J-16 to J-20 |

Sources

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
UNAUDITED

|   | 2022             | 2021             | 2020             | 2019             | 2018             | 2017             | 2016             | 2015             | 2014             | 2013             |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Governmental activities</b>              |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Net investment in capital assets            | \$ 44,166,338.81 | \$ 42,154,889.61 | \$ 39,167,736.59 | \$ 34,111,289.44 | \$ 31,225,327.01 | \$ 17,978,723.16 | \$ 16,880,209.65 | \$ 47,277,035.64 | \$ 44,776,382.26 | \$ 44,305,464.02 |
| Restricted                                  | 20,306,223.05    | 18,356,237.80    | 13,981,137.45    | 14,512,497.22    | 15,281,247.37    | 25,992,085.23    | 27,751,098.16    | 7,085,203.85     | 8,221,840.71     | 8,545,123.50     |
| Unrestricted (deficit)                      | (20,022,190.14)  | (23,036,885.39)  | (26,431,639.37)  | (25,738,732.29)  | (25,289,016.05)  | (23,942,126.79)  | (21,905,265.08)  | (20,922,024.86)  | (647,563.83)     | (725,061.50)     |
| Total governmental activities net position  | \$ 44,450,371.72 | \$ 37,474,252.02 | \$ 26,717,234.67 | \$ 20,028,681.60 | \$ 22,726,042.73 | \$ 33,440,214.63 | \$ 52,350,659.14 | \$ 52,125,526.02 | \$ 48,915,656.13 | \$ 42,291,516.54 |
| <b>Business-type activities</b>             |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Net investment in capital assets            | \$ 213,593.48    | \$ 253,264.39    | \$ 295,477.70    | \$ 354,980.86    | \$ 400,693.01    | \$ 273,238.17    | \$ 255,984.55    | \$ 267,874.16    | \$ 254,657.95    | \$ 195,601.98    |
| Unrestricted                                | 1,068,796.97     | 220,164.74       | 141,946.00       | 220,703.36       | 421,692.66       | 511,692.80       | 680,707.40       | 628,137.43       | 477,672.72       | 319,937.19       |
| Total business-type activities net position | \$ 1,282,390.45  | \$ 473,429.13    | \$ 437,423.70    | \$ 784,930.97    | \$ 936,701.95    | \$ 896,011.59    | \$ 732,330.67    | \$ 515,539.17    | \$ 527,222.44    | \$ 545,888.87    |
| <b>District-wide</b>                        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Net investment in capital assets            | \$ 44,379,932.29 | \$ 42,408,164.00 | \$ 39,463,214.29 | \$ 34,466,280.30 | \$ 31,626,020.02 | \$ 18,251,961.33 | \$ 17,136,204.20 | \$ 47,544,909.80 | \$ 45,031,040.21 | \$ 44,501,066.00 |
| Restricted                                  | 20,306,223.05    | 18,356,237.80    | 13,981,137.45    | 14,512,497.22    | 15,281,247.37    | 25,992,085.23    | 27,751,098.16    | 7,085,203.85     | 8,221,840.71     | 8,545,123.50     |
| Unrestricted (deficit)                      | (18,953,393.17)  | (22,816,720.65)  | (26,289,693.37)  | (25,518,028.95)  | (24,667,323.39)  | (23,430,433.99)  | (21,224,557.68)  | (20,293,887.43)  | (169,891.11)     | (405,124.31)     |
| Total district net position                 | \$ 45,732,762.17 | \$ 37,947,681.15 | \$ 27,154,658.37 | \$ 20,813,612.57 | \$ 23,662,744.68 | \$ 34,336,226.22 | \$ 53,082,989.81 | \$ 52,641,065.19 | \$ 49,442,878.57 | \$ 42,837,405.41 |

Source: ACFR Schedule A-1

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
CHANGES IN NET POSITION  
(UNAUDITED)

|   | 2022              | 2021              | 2020              | 2019              | 2018              | 2017              | 2016              | 2015             | 2014             | 2013             |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|
| <b>EXPENSES</b>                                 |                   |                   |                   |                   |                   |                   |                   |                  |                  |                  |
| Governmental activities                         |                   |                   |                   |                   |                   |                   |                   |                  |                  |                  |
| Instruction                                     |                   |                   |                   |                   |                   |                   |                   |                  |                  |                  |
| Regular   | \$ 48,341,124.15  | \$ 48,337,906.96  | \$ 45,108,903.65  | \$ 45,336,995.84  | \$ 39,934,235.77  | \$ 45,561,793.25  | \$ 41,937,971.36  | \$ 30,761,679.46 | \$ 36,151,407.81 | \$ 35,357,791.49 |
| Special education                               | 18,174,897.94     | 19,416,790.90     | 17,948,017.69     | 17,824,222.53     | 15,339,756.43     | 17,429,354.88     | 13,614,227.40     | 11,322,072.60    | 10,849,481.36    | 10,474,369.16    |
| Other instruction                               | 5,987,551.33      | 6,265,288.05      | 6,261,192.44      | 6,327,934.98      | 5,231,775.16      | 5,930,506.74      | 6,638,941.08      | 3,894,837.13     | 3,970,263.67     | 4,008,557.85     |
| Support Services:                               |                   |                   |                   |                   |                   |                   |                   |                  |                  |                  |
| Tuition   | 19,011,507.18     | 18,107,053.84     | 15,909,181.01     | 16,205,160.98     | 13,932,318.46     | 15,794,334.56     | 14,368,798.92     | 10,594,827.71    | 10,742,574.51    | 9,685,042.93     |
| Student & instruction related services          | 1,838,810.12      | 1,661,191.08      | 1,864,366.66      | 1,813,318.56      | 3,165,606.48      | 1,919,454.80      | 1,720,634.18      | 1,274,061.43     | 1,732,915.84     | 1,687,299.64     |
| General administrative services                 | 6,356,202.18      | 6,814,452.63      | 6,181,694.76      | 6,212,165.15      | 5,688,609.19      | 6,549,599.77      | 6,017,814.51      | 4,296,669.95     | 4,232,917.86     | 4,643,187.41     |
| School administrative services                  | 1,214,707.78      | 1,577,114.72      | 1,620,021.82      | 1,650,353.48      | 3,846,284.66      | 1,847,930.10      | 1,517,269.48      | 1,584,468.53     | 1,696,385.50     | 1,582,376.76     |
| Central services and information technology     | 6,343,439.90      | 7,366,247.55      | 7,994,352.04      | 8,273,366.91      | 15,659,533.64     | 8,906,755.59      | 7,882,456.32      | 6,371,301.41     | 8,282,818.92     | 7,089,255.08     |
| Plant operations and maintenance                | 5,565,208.81      | 4,733,357.55      | 5,771,983.69      | 6,302,923.55      | 10,706,620.50     | 6,521,995.18      | 5,919,123.36      | 3,891,786.13     | 5,340,459.21     | 5,487,076.65     |
| Student transportation services                 | 1,468,050.00      | 1,997,698.35      | 2,163,326.80      | 2,396,517.21      | 2,568,325.24      | 3,536,429.52      | 2,937,399.18      | 3,023,716.11     | 3,073,070.12     | 3,183,695.67     |
| Interest on long-term debt                      |                   |                   |                   |                   |                   |                   |                   |                  |                  |                  |
| Unallocated amortization                        | 1,323,710.72      | 79,907.48         | 84,788.01         | 88,755.19         | 95,476.73         | 92,538.88         | 92,527.15         | 4,389,091.56     | 67,556.90        | 55,819.63        |
| Unallocated depreciation                        |                   |                   |                   |                   |                   |                   |                   |                  |                  |                  |
| Total governmental activities expenses          | \$ 115,625,210.12 | \$ 117,357,009.12 | \$ 110,907,828.57 | \$ 112,432,736.39 | \$ 116,188,552.27 | \$ 114,090,653.26 | \$ 102,657,182.94 | \$ 81,254,512.02 | \$ 86,195,771.33 | \$ 83,315,086.15 |
| Business-type activities:                       |                   |                   |                   |                   |                   |                   |                   |                  |                  |                  |
| Food Service                                    | \$ 2,096,200.80   | \$ 457,299.77     | \$ 1,454,578.64   | \$ 1,869,921.27   | \$ 1,739,250.05   | \$ 1,915,525.20   | \$ 1,734,309.40   | \$ 1,522,077.10  | \$ 1,430,767.70  | \$ 1,581,348.35  |
| Other   | 198,877.15        | 217,193.00        | 200,355.16        | 209,314.24        | 193,905.75        | 209,835.30        | 211,641.30        | 219,250.64       | 157,400.41       | 107,549.42       |
| Total business-type activities expense          | \$ 2,295,077.95   | \$ 674,492.77     | \$ 1,654,933.80   | \$ 2,079,235.51   | \$ 1,933,155.80   | \$ 2,125,360.50   | \$ 1,945,950.70   | \$ 1,741,327.74  | \$ 1,588,168.11  | \$ 1,688,897.77  |
| Total district expenses                         | \$ 117,920,288.07 | \$ 118,031,501.89 | \$ 112,562,762.37 | \$ 114,511,971.90 | \$ 118,121,708.07 | \$ 116,216,013.76 | \$ 104,603,113.64 | \$ 82,995,839.76 | \$ 87,783,939.44 | \$ 85,004,083.92 |
| <b>PROGRAM REVENUES</b>                         |                   |                   |                   |                   |                   |                   |                   |                  |                  |                  |
| Governmental activities:                        |                   |                   |                   |                   |                   |                   |                   |                  |                  |                  |
| Charges for services                            | \$ 737,963.09     | \$ 440,063.26     | \$ 22,684,445.05  | \$ 24,981,719.69  | \$ 31,224,016.26  | \$ 27,405,581.22  | \$ 20,643,321.85  | \$ 20,180,612.06 | \$ 407,711.71    | \$ 187,126.00    |
| Operating grants and contributions              | 25,159,606.71     | 32,136,737.41     | 22,684,445.05     | 24,981,719.69     | 31,224,016.26     | 27,405,581.22     | 20,643,321.85     | 20,497,656.96    | 11,245,274.81    | 12,150,966.54    |
| Total governmental activities program revenues  | \$ 25,896,569.80  | \$ 32,576,790.67  | \$ 22,684,445.05  | \$ 24,981,719.69  | \$ 31,224,016.26  | \$ 27,405,581.22  | \$ 20,643,321.85  | \$ 20,497,656.96 | \$ 11,652,986.52 | \$ 12,338,092.54 |
| Business-type activities:                       |                   |                   |                   |                   |                   |                   |                   |                  |                  |                  |
| Charges for services                            | \$ 240,378.03     | \$ 114,821.72     | \$ 1,134,772.54   | \$ 1,647,794.65   | \$ 1,646,119.89   | \$ 1,599,763.44   | \$ 1,613,638.71   | \$ 1,527,272.05  | \$ 1,431,126.96  | \$ 1,400,159.31  |
| Food Service                                    | 186,567.00        | 206,575.50        | 260,314.32        | 270,789.84        | 212,637.69        | 241,238.57        | 209,173.37        | 246,457.61       | 209,832.53       | 127,324.16       |
| Other   | 2,674,942.07      | 385,880.12        | 119,648.37        | 105,116.76        | 110,805.55        | 132,344.27        | 149,547.91        | 131,278.00       | 164,000.12       | 149,832.03       |
| Operating grants and contributions              | \$ 3,103,887.10   | \$ 710,277.34     | \$ 1,514,735.23   | \$ 2,023,701.25   | \$ 1,969,562.13   | \$ 1,973,346.28   | \$ 1,972,359.99   | \$ 1,905,008.66  | \$ 1,804,959.81  | \$ 1,677,314.50  |
| Total business type activities program revenues | \$ 29,000,456.50  | \$ 33,287,068.01  | \$ 24,199,180.28  | \$ 27,015,420.94  | \$ 33,193,578.39  | \$ 29,373,927.50  | \$ 22,615,681.84  | \$ 22,402,655.62 | \$ 13,457,946.13 | \$ 14,015,407.04 |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
CHANGES IN NET POSITION  
UNAUDITED

|   | 2022               | 2021               | 2020               | 2019               | 2018               | 2017               | 2016               | 2015               | 2014               | 2013               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>NET EXPENSE/REVENUE</b>                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental activities                                   | \$ (88,728,640.32) | \$ (84,750,218.45) | \$ (88,223,383.52) | \$ (88,223,383.52) | \$ (87,441,016.70) | \$ (84,964,536.01) | \$ (86,665,072.04) | \$ (82,013,841.09) | \$ (60,756,855.06) | \$ (74,542,784.81) |
| Business-type activities                                  | 808,909.15         | 35,784.57          | (140,198.57)       | (140,198.57)       | (55,534.26)        | 36,406.33          | (152,014.22)       | 26,409.28          | 163,680.92         | 216,791.50         |
| Total district-wide net expense                           | \$ (88,919,831.17) | \$ (84,714,433.88) | \$ (88,363,582.09) | \$ (88,363,582.09) | \$ (87,496,550.96) | \$ (84,928,129.68) | \$ (86,817,086.26) | \$ (81,987,431.80) | \$ (60,593,174.14) | \$ (74,325,993.31) |
| <b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b> |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental activities:                                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Property taxes levied for general purposes, net           | \$ 81,280,772.00   | \$ 79,696,835.00   | \$ 78,134,152.00   | \$ 75,780,287.00   | \$ 73,367,022.00   | \$ 71,928,453.00   | \$ 70,131,163.00   | \$ 68,033,428.00   | \$ 66,899,439.00   | \$ 65,391,607.00   |
| Taxes levied for debt service                             | 7,206,184.00       | 7,097,597.00       | 7,555,883.00       | 7,090,564.00       | 7,546,468.00       | 6,950,521.00       | 6,189,487.00       | 7,128,159.00       | 7,166,769.00       | 7,037,967.00       |
| Grants and contributions                                  | 7,496,622.66       | 6,894,258.64       | 5,181,911.23       | 4,755,265.98       | 4,175,265.98       | 3,914,534.17       | 3,830,047.46       | 941,854.92         | 321,819.62         | 896,691.99         |
| Miscellaneous income                                      | 711,181.36         | 585,766.53         | 1,183,817.59       | 1,281,213.83       | 1,065,217.58       | 1,194,864.61       | 1,153,368.92       | 720,595.82         | 579,890.34         | 860,597.51         |
| Disposal of capital assets                                |                    |                    |                    | (512.50)           | (560.82)           | (661.87)           | (10,046.50)        |                    |                    |                    |
| Total governmental activities                             | \$ 96,704,760.02   | \$ 94,264,457.17   | \$ 92,055,563.82   | \$ 88,937,152.74   | \$ 86,153,412.74   | \$ 83,987,710.91   | \$ 81,294,019.78   | \$ 76,823,837.74   | \$ 74,767,917.96   | \$ 74,186,863.50   |
| Business-type activities:                                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Miscellaneous income                                      | \$ 152.17          | \$ 220.86          | \$ 1,928.05        | \$ 2,620.91        | \$ 1,048.37        | \$ 243.24          | \$                 | \$                 | \$                 | \$                 |
| Total business-type activities                            | \$ 152.17          | \$ 220.86          | \$ 1,928.05        | \$ 2,620.91        | \$ 1,048.37        | \$ 243.24          | \$                 | \$                 | \$                 | \$                 |
| Total district-wide                                       | \$ 96,704,912.19   | \$ 94,264,678.03   | \$ 92,057,491.87   | \$ 88,939,773.65   | \$ 86,154,461.11   | \$ 83,987,954.15   | \$ 81,294,019.78   | \$ 76,823,837.74   | \$ 74,767,917.96   | \$ 74,186,863.50   |
| <b>CHANGE IN NET POSITION</b>                             |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental activities                                   | \$ 6,976,119.70    | \$ 9,484,238.72    | \$ 3,832,180.30    | \$ 683,769.22      | \$ (1,287,603.96)  | \$ (976,825.10)    | \$ (5,391,052.26)  | \$ (5,190,003.35)  | \$ 14,011,062.90   | \$ (355,921.31)    |
| Business-type activities                                  | 808,961.32         | 36,005.43          | (138,276.52)       | (137,577.66)       | (65,534.26)        | 36,406.33          | (152,014.22)       | 26,409.28          | 163,680.92         | 216,791.50         |
| Total district  | \$ 7,785,081.02    | \$ 9,520,244.15    | \$ 3,693,903.78    | \$ 546,191.56      | \$ (1,353,138.22)  | \$ (940,418.77)    | \$ (5,543,066.48)  | \$ (5,163,594.06)  | \$ 14,174,743.82   | \$ (139,129.81)    |

Source: ACFR Schedule A-2

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 (UNAUDITED)

|                                    | 2022             | 2021             | 2020             | 2019             | 2018             | 2017             | 2016             | 2015            | 2014            | 2013            |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|
| General Fund                       |                  |                  |                  |                  |                  |                  |                  |                 |                 |                 |
| Restricted                         | \$ 18,335,290.56 | \$ 16,511,718.87 | \$ 12,455,358.17 | \$ 10,574,317.23 | \$ 10,621,367.47 | \$ 9,493,348.52  | \$ 8,331,632.29  | \$ 7,077,899.28 | \$ 7,391,008.74 | \$ 8,300,423.50 |
| Assigned                           | 653,947.30       | 259,197.00       | 139,859.73       |                  |                  |                  |                  |                 |                 |                 |
| Unassigned                         | 5,042,048.60     | 5,022,998.57     | 2,095,135.61     | 2,509,167.38     | 1,721,909.32     | 1,634,253.92     | 1,516,250.73     | 1,453,628.50    | 1,228,258.56    | 1,316,072.56    |
| Total general fund                 | \$ 24,031,286.46 | \$ 21,793,914.44 | \$ 14,690,353.51 | \$ 13,083,484.61 | \$ 12,343,276.79 | \$ 11,127,602.44 | \$ 9,847,883.02  | \$ 8,531,527.78 | \$ 8,619,267.30 | \$ 9,616,496.06 |
| All Other Governmental Funds       |                  |                  |                  |                  |                  |                  |                  |                 |                 |                 |
| Committed                          | \$ 486,428.91    | \$ 2,507.13      | \$ 302,442.42    | \$ 2,954,329.16  | \$ 430,630.17    | \$ 11,091,950.13 | \$ 4,998.38      | \$              | \$ 888,371.00   | \$ 1,402,453.90 |
| Restricted for:                    |                  |                  |                  |                  |                  |                  |                  |                 |                 |                 |
| Capital projects fund              | 320,288.13       | 1,096,277.13     | 1,083,477.13     | 854,311.02       | 4,482,721.21     | 5,720,399.91     | 19,414,467.49    | 2,180,477.32    | 2,062,262.86    | 2,547,405.54    |
| Special revenue fund               | 510,288.15       | 486,537.67       |                  |                  |                  |                  |                  |                 |                 |                 |
| Debt service fund                  | 41,162.65        | 124,439.27       | 131,273.63       | 2.08             | 508,507.58       | 508,508.49       | 3.18             | 3.45            | 2.97            | 3.49            |
| Total all other governmental funds | \$ 1,358,147.84  | \$ 1,709,761.20  | \$ 1,517,193.18  | \$ 3,808,642.26  | \$ 5,421,856.96  | \$ 17,320,858.53 | \$ 19,419,469.05 | \$ 2,180,480.77 | \$ 2,970,636.83 | \$ 3,949,862.93 |

Source: ACFR Schedule B-1

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
 UNAUDITED

|   | 2022              | 2021              | 2020              | 2019              | 2018               | 2017              | 2016             | 2015              | 2014              | 2013             |
|---|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|------------------|-------------------|-------------------|------------------|
| <b>Revenues</b>   |                   |                   |                   |                   |                    |                   |                  |                   |                   |                  |
| Tax levy  | \$ 88,496,956.00  | \$ 86,794,432.00  | \$ 85,690,035.00  | \$ 82,870,651.00  | \$ 80,913,490.00   | \$ 78,878,974.00  | \$ 76,320,650.00 | \$ 75,161,587.00  | \$ 73,866,208.00  | \$ 72,429,574.00 |
| Tuition charges   | 193,166.23        | 92,676.00         | 143,515.80        | 169,141.00        | 178,915.20         | 203,336.30        | 179,166.80       | 121,101.90        | 138,240.71        | 187,126.00       |
| Transportation  |                   | 404.25            | 2,572.50          | 27,285.00         | 27,195.00          | 45,091.40         | 36,235.00        | 53,343.00         | 100,521.00        | 15,500.00        |
| Interest on capital reserve                               | 4,600.56          | 4,825.24          | 12,573.24         | 2,108.91          | 2,108.91           | 2,108.91          | 7,645.82         |                   |                   |                  |
| Interest on emergency reserve                             | 0.12              | 2,516.41          | 3,065.64          | 121,772.07        | 121,772.07         | 121,772.07        | 45,201.15        | 49,211.01         | 54,688.84         | 81,695.76        |
| Miscellaneous   | 20,279.18         | 16,674.90         | 78,281.76         | 840,362.33        | 840,452.33         | 822,555.93        | 885,120.15       | 870,371.96        | 728,640.25        | 810,332.67       |
| State sources   | 1,263,656.03      | 943,118.97        | 943,608.65        | 840,362.33        | 840,452.33         | 1,187,879.25      | 13,337,908.91    | 12,288,312.24     | 10,511,369.65     | 11,861,617.29    |
| Federal sources   | 30,844,020.30     | 28,157,057.22     | 20,662,339.93     | 19,541,177.37     | 17,042,542.16      | 14,589,130.69     | 1,070,290.40     | 1,050,143.59      | 1,021,296.03      | 1,119,110.32     |
| Total revenue   | \$ 123,224,162.82 | \$ 114,635,423.84 | \$ 108,702,691.87 | \$ 104,747,691.41 | \$ 100,331,908.75  | \$ 89,592,070.70  | \$ 91,882,218.23 | \$ 89,592,070.70  | \$ 86,420,904.48  | \$ 86,524,956.04 |
| <b>Expenditures</b>                                       |                   |                   |                   |                   |                    |                   |                  |                   |                   |                  |
| Instruction   | \$ 26,844,342.87  | \$ 25,286,101.53  | \$ 25,095,981.28  | \$ 24,395,771.97  | \$ 24,128,709.58   | \$ 23,524,301.96  | \$ 23,473,541.66 | \$ 23,153,923.10  | \$ 23,175,710.73  | \$ 22,749,111.41 |
| Regular instruction                                       | 9,660,229.95      | 9,537,657.37      | 9,538,688.42      | 9,282,631.58      | 9,141,111.35       | 8,448,716.42      | 7,844,127.70     | 7,362,470.95      | 6,329,386.45      | 6,097,577.19     |
| Special education instruction                             | 3,335,718.08      | 3,095,325.67      | 3,361,066.69      | 3,168,897.09      | 3,096,040.04       | 2,946,902.29      | 2,966,397.92     | 2,777,830.56      | 2,795,395.15      | 2,795,073.52     |
| Support Services:   |                   |                   |                   |                   |                    |                   |                  |                   |                   |                  |
| Tuition   | 2,143,137.26      | 2,553,662.03      | 2,647,893.68      | 2,693,396.46      | 1,971,637.49       | 2,689,930.68      | 2,511,919.19     | 1,961,277.06      | 2,138,226.38      | 1,967,306.41     |
| Student & instruction related services                    | 11,752,425.06     | 10,309,832.96     | 9,586,762.79      | 9,534,214.43      | 9,106,045.63       | 8,803,131.11      | 8,548,678.66     | 8,045,552.49      | 7,508,826.18      | 6,763,426.89     |
| General administrative services                           | 1,568,273.84      | 1,172,843.96      | 1,129,829.18      | 1,239,276.14      | 1,181,170.75       | 1,197,940.92      | 1,181,879.25     | 1,098,499.06      | 1,211,594.22      | 1,188,822.35     |
| School Administrative services                            | 3,397,202.56      | 3,416,399.69      | 3,368,130.34      | 3,280,134.14      | 3,321,075.49       | 3,277,902.04      | 3,274,518.88     | 3,190,700.98      | 3,206,393.83      | 3,014,758.80     |
| Central services & administrative tech.                   | 1,163,984.31      | 1,173,304.35      | 1,141,027.28      | 1,086,202.72      | 1,032,650.24       | 992,748.46        | 1,194,090.01     | 1,296,785.23      | 1,286,688.73      | 1,254,612.90     |
| Plant operations and maintenance                          | 336,109.31        | 326,954.08        | 260,373.61        | 222,244.21        | 199,426.43         | 194,850.12        | 6,610,639.72     | 6,464,109.10      | 7,387,766.94      | 6,213,961.11     |
| Security  | 6,474,718.28      | 6,450,580.44      | 6,691,547.82      | 6,981,326.03      | 6,809,120.56       | 6,569,832.80      | 18,361.92        | 25,139.76         | 3,987,232.37      | 3,941,097.68     |
| Student transportation services                           | 5,349,658.48      | 3,949,178.56      | 4,470,964.56      | 4,898,623.31      | 4,338,530.99       | 4,259,696.21      | 4,117,049.16     | 3,992,910.48      | 19,930,239.51     | 20,487,387.24    |
| Unallocated employee benefits                             | 40,527,253.64     | 32,487,638.57     | 30,600,219.50     | 29,098,458.88     | 25,614,465.97      | 24,007,774.87     | 22,190,756.60    | 21,655,084.61     | 19,930,239.51     | 20,487,387.24    |
| Capital outlay  | 995,646.02        | 1,390,726.69      | 4,018,193.26      | 2,504,374.75      | 13,160,511.90      | 2,468,161.32      | 780,323.77       | 2,245,912.86      | 2,425,893.34      | 2,536,367.22     |
| Debt service:   |                   |                   |                   |                   |                    |                   |                  |                   |                   |                  |
| Cost of issue of Refunding Bonds                          |                   | 68,225.08         |                   |                   |                    |                   |                  |                   |                   |                  |
| Principal   | 6,033,104.19      | 6,017,459.34      | 5,852,800.00      | 5,692,800.00      | 5,757,800.00       | 5,037,800.00      | 4,517,800.00     | 4,422,800.00      | 4,327,800.00      | 4,252,800.00     |
| Interest and other charges                                | 1,957,270.31      | 2,147,270.28      | 2,383,757.00      | 2,605,935.50      | 2,794,881.83       | 2,596,571.69      | 2,824,790.27     | 2,862,298.52      | 3,096,095.52      | 3,216,374.77     |
| Charter Schools   |                   |                   |                   |                   |                    |                   |                  |                   | 2,111.00          | 13,853.00        |
| Total expenditures  | \$ 121,539,074.16 | \$ 109,383,160.60 | \$ 110,289,235.41 | \$ 106,684,277.21 | \$ 111,653,278.05  | \$ 90,858,392.76  | \$ 92,054,874.71 | \$ 90,858,392.76  | \$ 88,807,359.34  | \$ 86,492,130.49 |
| Excess (Deficiency) of revenues over (under) expenditures | \$ 1,685,088.66   | \$ 5,252,273.24   | \$ (1,586,543.54) | \$ (1,936,585.80) | \$ (11,321,371.30) | \$ (1,266,322.06) | \$ (172,656.48)  | \$ (1,266,322.06) | \$ (2,386,454.86) | \$ 32,825.55     |
| <b>Other Financing sources (uses)</b>                     |                   |                   |                   |                   |                    |                   |                  |                   |                   |                  |
| Installment Purchase Contracts (non-budgeted)             |                   |                   |                   |                   |                    |                   |                  |                   |                   |                  |
| Refunding Bond Proceeds                                   | 200,670.00        | 702,852.00        | 772,423.55        | 871,222.21        | 736,207.01         | 530,334.59        | 226,000.00       | 388,426.48        | 410,000.00        | 597,000.00       |
| Original Issue Premium                                    |                   | 1,225,964.60      |                   |                   |                    |                   | 18,502,000.00    |                   |                   |                  |
| Payment to Refunding Escrow Agent                         |                   | (10,807,739.52)   |                   |                   |                    |                   |                  |                   |                   |                  |
| Transfers in  | 9,021.88          | 347,525.26        | 108,743.55        | 201,360.00        | 373,172.75         | 935,000.00        | 1,122,304.88     | 370,054.00        | 880,256.68        | 262,072.59       |
| Transfers out   | (9,021.88)        | (347,525.26)      | (108,743.55)      | (1,072,582.21)    | (373,172.75)       | (935,000.00)      | (1,122,304.88)   | (370,054.00)      | (880,256.68)      | (262,072.59)     |
| Total other financing sources (uses)                      | \$ 200,670.00     | \$ 771,077.08     | \$ 772,423.55     | \$ 1,072,582.21   | \$ 736,207.01      | \$ 388,426.48     | \$ 18,728,000.00 | \$ 388,426.48     | \$ 410,000.00     | \$ 597,000.00    |
| Net change in fund balances                               | \$ 1,885,758.66   | \$ 6,023,350.32   | \$ (814,119.99)   | \$ (864,013.59)   | \$ (10,585,164.29) | \$ (877,895.58)   | \$ 18,555,343.52 | \$ (877,895.58)   | \$ (1,976,454.86) | \$ 629,625.55    |
| Debt service as a percentage of noncapital expenditures   |                   | 6.63%             | 7.62%             | 7.97%             | 8.68%              | 8.33%             | 8.04%            | 8.33%             | 6.59%             | 8.90%            |

Source: ACFR Schedule B-2

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
 GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
 (UNAUDITED)

| Fiscal Year<br>Ended June 30, | Tuition       | Transportation<br>Fees | Interest On<br>Investments | Rentals       | Prior Year<br>Refunds | Participation<br>Fees | Misc.         | Total         |
|-------------------------------|---------------|------------------------|----------------------------|---------------|-----------------------|-----------------------|---------------|---------------|
| 2022                          | \$ 193,166.23 | \$                     | \$ 24,879.86               | \$ 207,210.69 | \$                    | \$                    | \$ 252,064.68 | \$ 677,321.46 |
| 2021                          | 92,676.00     | 404.25                 | 24,016.55                  | 15,810.75     |                       |                       | 421,952.77    | 554,860.32    |
| 2020                          | 143,515.80    | 2,572.50               | 93,920.64                  | 257,851.33    |                       |                       | 203,282.89    | 701,143.16    |
| 2019                          | 169,141.00    | 27,285.00              | 284,246.13                 | 392,072.51    | 9,914.82              |                       | 358,806.69    | 1,241,466.15  |
| 2018                          | 178,915.20    | 27,195.00              | 178,160.21                 | 446,770.79    | 7,709.21              |                       | 178,461.20    | 1,017,211.61  |
| 2017                          | 181,156.30    | 45,091.40              | 123,880.98                 | 400,536.23    | 20,556.04             | 109,660.26            | 200,372.07    | 1,081,253.28  |
| 2016                          | 183,337.50    | 36,235.00              | 52,846.97                  | 353,213.06    | 115,826.39            | 139,133.00            | 228,594.62    | 1,109,186.54  |
| 2015                          | 121,101.90    | 53,343.00              | 49,211.01                  | 384,385.42    | 41,176.54             | 142,600.00            | 245,822.85    | 1,037,640.72  |
| 2014                          | 138,240.71    | 100,521.00             | 45,410.16                  | 233,841.68    | 41,168.28             | 168,950.00            | 250,211.54    | 978,343.37    |
| 2013                          | 187,126.00    | 15,500.00              | 64,323.17                  | 269,407.92    | 27,579.89             | 173,525.00            | 292,888.94    | 1,030,350.92  |

Source: District Records

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY - MONTGOMERY  
UNAUDITED

| Calendar<br>Year Ended<br>December 31, | Vacant Land   | Residential      | Farm          | Q-Farm       | Commercial     | Industrial   | Apartment      | Total<br>Assessed Value | Public<br>Utilities (a) | Net<br>Valuation<br>Taxable | Est. Actual<br>(County Equalized<br>Value) | Total Direct<br>School<br>Tax Rate (b) |
|--|---------------|------------------|---------------|--------------|----------------|--------------|----------------|-------------------------|-------------------------|-----------------------------|--|--|
| 2021                                   | \$ 48,466,100 | \$ 3,450,880,033 | \$ 65,533,300 | \$ 1,887,100 | \$ 268,486,800 | \$ 3,112,900 | \$ 100,104,800 | \$ 3,938,471,033        | \$ 2,093,762            | \$ 3,940,564,795            | \$ 4,969,186,374                           | \$ 2.194                               |
| 2020                                   | 61,362,600    | 3,417,308,133    | 64,641,200    | 1,905,000    | 269,698,600    | 3,112,900    | 100,104,800    | 3,918,133,233           | 2,045,044               | 3,920,178,277               | 4,881,915,662                              | 2.162                                  |
| 2019                                   | 61,524,700    | 3,385,470,433    | 62,078,700    | 1,940,500    | 269,282,400    | 3,112,900    | 100,104,800    | 3,883,514,433           | 2,064,484               | 3,885,578,917               | 4,896,257,077                              | 2.153                                  |
| 2018                                   | 51,778,900    | 3,356,813,300    | 63,839,700    | 1,794,300    | 269,186,100    | 3,112,900    | 100,104,800    | 3,846,630,000           | 2,074,985               | 3,848,704,985               | 4,731,984,254                              | 2.103                                  |
| 2017                                   | 44,878,300    | 3,337,722,100    | 64,111,200    | 1,827,200    | 275,672,600    | 3,112,900    | 100,104,800    | 3,827,429,100           | 2,118,288               | 3,829,547,388               | 4,652,277,987                              | 2.069                                  |
| 2016                                   | 52,452,100    | 3,271,457,700    | 70,941,600    | 1,925,200    | 282,631,200    | 3,112,900    | 97,932,200     | 3,780,462,900           | 2,118,666               | 3,782,581,566               | 4,435,527,153                              | 2.036                                  |
| 2015                                   | 59,459,900    | 3,223,428,000    | 68,334,900    | 1,933,100    | 281,624,200    | 3,112,900    | 97,010,200     | 6,958,331,200           | 2,194,918               | 6,960,526,118               | 4,428,431,154                              | 2.001                                  |
| 2014                                   | 58,144,700    | 3,188,845,100    | 69,628,900    | 1,940,900    | 286,488,500    | 3,112,900    | 97,010,200     | 3,705,171,200           | 2,079,867               | 3,707,251,067               | 4,435,572,346                              | 1.982                                  |
| 2013                                   | 50,580,500    | 3,196,965,900    | 67,056,400    | 1,946,000    | 293,745,100    | 3,112,900    | 90,938,200     | 3,704,345,000           | 2,306,369               | 3,706,651,369               | 4,605,107,925                              | 1.951                                  |
| 2012                                   | 44,639,200    | 3,202,029,520    | 67,737,500    | 2,068,000    | 291,172,600    | 3,112,900    | 93,077,600     | 3,703,837,320           | 5,049,897               | 3,708,887,217               | 4,514,422,494                              | 1.911                                  |

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

(b): Tax rates are per \$100



TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY - ROCKY HILL  
 (UNAUDITED)

| Calendar<br>Year Ended<br>December 31, | Vacant Land | Residential    | Q-Farm    | Commercial   | Industrial   | Apartment    | Total<br>Assessed Value | Public<br>Utilities (a) | Net<br>Valuation<br>Taxable | Est. Actual<br>(County Equalized<br>Value) | Total Direct<br>School<br>Tax Rate (b) |
|--|-------------|----------------|-----------|--------------|--------------|--------------|-------------------------|-------------------------|-----------------------------|--|--|
| 2021                                   | \$ 856,600  | \$ 119,496,500 | \$ 11,200 | \$ 8,221,200 | \$ 8,640,000 | \$ 1,124,400 | \$ 138,349,900          | \$ 402,800              | \$ 138,752,700              | \$ 137,755,184                             | \$ 1.463                               |
| 2020                                   | 1,039,300   | 112,867,600    | 11,200    | 8,492,400    | 8,640,000    | 1,115,600    | 132,166,100             | 372,668                 | 132,538,768                 | 133,690,168                                | 1.540                                  |
| 2019                                   | 1,182,700   | 111,880,100    | 11,200    | 8,439,600    | 8,389,800    | 1,118,300    | 131,021,700             | 372,169                 | 131,393,869                 | 133,763,859                                | 1.508                                  |
| 2018                                   | 220,600     | 111,410,500    | 20,900    | 8,563,800    | 8,239,800    | 1,121,100    | 129,576,700             | 376,924                 | 129,953,624                 | 134,451,664                                | 1.390                                  |
| 2017                                   | 220,600     | 110,969,600    | 20,900    | 8,260,300    | 8,239,800    | 1,086,600    | 128,797,800             | 376,924                 | 129,174,724                 | 129,032,788                                | 1.371                                  |
| 2016                                   | 440,500     | 111,283,200    | 20,900    | 8,070,000    | 7,939,800    | 1,089,400    | 128,843,800             | 367,089                 | 129,210,889                 | 131,325,225                                | 1.318                                  |
| 2015                                   | 674,800     | 111,209,300    | 11,200    | 6,316,000    | 7,784,100    | 1,084,400    | 127,079,800             | 344,924                 | 127,424,724                 | 129,374,322                                | 1.273                                  |
| 2014                                   | 420,500     | 104,150,800    | 20,900    | 7,657,000    | 7,394,900    | 1,025,500    | 120,669,600             | 342,424                 | 121,012,024                 | 127,960,266                                | 1.335                                  |
| 2013                                   | 420,500     | 103,705,700    | 20,900    | 7,657,000    | 7,394,900    | 1,025,500    | 120,224,500             | 342,424                 | 120,566,924                 | 127,004,668                                | 1.284                                  |
| 2012                                   | 420,500     | 104,910,700    | 20,900    | 7,098,800    | 7,394,900    | 1,025,500    | 120,871,300             | 337,357                 | 121,208,657                 | 132,314,490                                | 1.226                                  |

Source: District records Tax list summary & Municipal Tax Assessor  
 Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.  
 Reassessment occurs when ordered by the County Board of Taxation

(a): Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies  
 (b): Tax rates are per \$100

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES - MONTGOMERY  
UNAUDITED

| Calendar<br>Year Ended<br>December 31, | Township of Montgomery |   |                                    | Overlapping Rates         |                    | Total Direct and<br>Overlapping<br>Tax Rate |
|--|------------------------|---|------------------------------------|---------------------------|--------------------|---|
|  | Basic Rate (a)         | General<br>Obligation<br>Debt Service (b) | Total Direct<br>School<br>Tax Rate | Township of<br>Montgomery | Somerset<br>County |   |
| 2021                                   | \$ 2.015               | \$ 0.179                                  | \$ 2.194                           | \$ 0.469                  | \$ 0.482           | \$ 3.145                                    |
| 2020                                   | 1.986                  | 0.176                                     | 2.162                              | 0.464                     | 0.493              | 3.119                                       |
| 2019                                   | 1.969                  | 0.184                                     | 2.153                              | 0.453                     | 0.492              | 3.098                                       |
| 2018                                   | 1.907                  | 0.196                                     | 2.103                              | 0.440                     | 0.482              | 3.025                                       |
| 2017                                   | 1.876                  | 0.193                                     | 2.069                              | 0.427                     | 0.482              | 2.978                                       |
| 2016                                   | 1.857                  | 0.179                                     | 2.036                              | 0.410                     | 0.481              | 2.927                                       |
| 2015                                   | 1.839                  | 0.162                                     | 2.001                              | 0.389                     | 0.470              | 2.860                                       |
| 2014                                   | 1.790                  | 0.192                                     | 1.982                              | 0.373                     | 0.470              | 2.825                                       |
| 2013                                   | 1.758                  | 0.192                                     | 1.950                              | 0.360                     | 0.474              | 2.784                                       |
| 2012                                   | 1.725                  | 0.186                                     | 1.911                              | 0.351                     | 0.447              | 2.709                                       |

Source: District Records and Municipal Tax Collector  
(Rates are per \$100 of assessed value)

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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(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.

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES - ROCKY HILL  
UNAUDITED

| Calendar<br>Year Ended<br><u>December 31,</u> | Borough of Rocky Hill |  |   | Overlapping Rates                |                            | Total Direct and<br>Overlapping<br>Tax Rate |
|---|-----------------------|--|---|----------------------------------|----------------------------|---|
|   | <u>Basic Rate (a)</u> | <u>General<br/>Obligation<br/>Debt Service (b)</u> | <u>Total Direct<br/>School<br/>Tax Rate</u> | <u>Borough of<br/>Rocky Hill</u> | <u>Somerset<br/>County</u> |   |
| 2021  | 1.344                 | 0.119  | \$ 1.463                                    | \$ 0.429                         | \$ 0.393                   | \$ 2.285                                    |
| 2020  | 1.415                 | 0.125  | 1.540                                       | 0.439                            | 0.403                      | 2.382                                       |
| 2019  | 1.469                 | 0.039  | 1.508                                       | 0.435                            | 0.410                      | 2.353                                       |
| 2018  | 1.334                 | 0.037  | 1.371                                       | 0.406                            | 0.399                      | 2.176                                       |
| 2017  | 1.334                 | 0.037  | 1.371                                       | 0.396                            | 0.404                      | 2.171                                       |
| 2016  | 1.296                 | 0.022  | 1.318                                       | 0.395                            | 0.409                      | 2.122                                       |
| 2015  | 1.294                 | 0.022  | 1.316                                       | 0.371                            | 0.401                      | 2.088                                       |
| 2014  | 1.312                 | 0.023  | 1.335                                       | 0.373                            | 0.472                      | 2.180                                       |
| 2013  | 1.262                 | 0.022  | 1.284                                       | 0.378                            | 0.472                      | 2.134                                       |
| 2012  | 1.206                 | 0.020  | 1.226                                       | 0.377                            | 0.446                      | 2.049                                       |

Source: District Records and Municipal Tax Collector  
(Rates are per \$100 of assessed value)

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 Reassessment became effective for 2011.

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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(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.

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 Reassessment became effective for 2011.

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS - MONTGOMERY  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

| Taxpayer                           | 2022                   |      |  | 2013                   |      |  |
|------------------------------------|------------------------|------|--|------------------------|------|--|
|                                    | Taxable Assessed Value | Rank | % of Total District Net Assessed Value | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |
| Pike Run LLC/Cloverleaf            | \$ 91,396,000          | 1    | 2.32%                                  | \$ 77,410,300          | 1    | 2.09%                                  |
| Montpen/Research Park LLC/ABCF LLC | 44,550,700             | 2    | 1.13%                                  | 49,838,400             | 2    | 1.34%                                  |
| Johnson and Johnson                | 41,266,600             | 3    | 1.05%                                  | 43,969,200             | 3    | 1.19%                                  |
| Presbyterian Homes                 | 41,000,000             | 4    | 1.04%                                  | 43,752,900             | 4    | 1.18%                                  |
| Bloomburg LP                       | 13,333,300             | 5    | 0.34%                                  | 10,680,500             | 8    | 0.29%                                  |
| Chesapeake Holdings                | 10,034,200             | 6    | 0.25%                                  |                        |      |  |
| Larken Associates                  | 9,129,100              | 7    | 0.23%                                  |                        |      |  |
| P.H. Associates, LLC               | 8,145,700              | 8    | 0.21%                                  | 9,630,700              | 9    | 0.26%                                  |
| Princeton North Realty             | 7,909,500              | 9    | 0.20%                                  |                        |      |  |
| Cherry Valley HOA                  | 6,479,300              | 10   | 0.16%                                  |                        |      |  |
| Sharbell Plainsboro Inc            |                        |      |  | 18,088,200             | 5    | 0.49%                                  |
| Convatec Inc                       |                        |      |  | 15,651,000             | 6    | 0.42%                                  |
| JER/Herring Orchard                |                        |      |  | 11,996,200             | 7    | 0.32%                                  |
| Princeton North Realty             |                        |      |  | 7,909,500              | 10   | 0.21%                                  |
| <b>Total</b>                       | <b>\$ 273,244,400</b>  |      | <b>6.93%</b>                           | <b>\$ 288,926,900</b>  |      | <b>7.79%</b>                           |

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS - ROCKY HILL  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

| Taxpayer                          | 2022                   |      |  |                        | 2013 |  |  |  |
|-----------------------------------|------------------------|------|--|------------------------|------|--|--|--|
|                                   | Taxable Assessed Value | Rank | % of Total District Net Assessed Value | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |  |  |
| J & R Association LLC             | \$ 8,640,000           | 1    | 6.23%                                  | \$ 7,394,900           | 1    | 6.10%                                  |  |  |
| Yver, Antoine & Gaud              | 2,075,300              | 2    | 1.50%                                  |                        |      |  |  |  |
| CDG Partners, L.L.C               | 1,595,000              | 3    | 1.15%                                  |                        |      |  |  |  |
| Witherspoon Partners LLC          | 1,269,700              | 4    | 0.92%                                  | 1,076,600              | 4    | 0.89%                                  |  |  |
| Bank of America                   | 1,104,500              | 5    | 0.80%                                  | 1,104,500              | 3    | 0.91%                                  |  |  |
| Schafer, Barbara D.               | 1,016,700              | 6    | 0.73%                                  | 956,200                | 6    | 0.79%                                  |  |  |
| Merritt Brothers, Inc.            | 997,800                | 7    | 0.72%                                  | 1,062,500              | 5    | 0.88%                                  |  |  |
| Demunecas, Patrick & Perry, Maren | 821,600                | 8    | 0.59%                                  |                        |      |  |  |  |
| Copper Spoon Properties, LLC      | 803,000                | 9    | 0.58%                                  | 700,000                | 10   | 0.58%                                  |  |  |
| George F. White, III              | 746,600                | 10   | 0.54%                                  | 715,900                | 9    | 0.59%                                  |  |  |
| Hayden, Stephen P.                |                        |      |  | 1,107,400              | 2    | 0.91%                                  |  |  |
| Donato, Joseph & Alana            |                        |      |  | 785,900                | 7    | 0.65%                                  |  |  |
| Schellscheidt, Karl & Dani        |                        |      |  | 726,300                | 8    | 0.60%                                  |  |  |
| <b>Total</b>                      | <b>\$ 19,070,200</b>   |      | <b>13.74%</b>                          | <b>\$ 15,630,200</b>   |      | <b>12.90%</b>                          |  |  |

Source: District ACFR J11 & Municipal Tax Assessor

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
UNAUDITED

| Fiscal Year<br>Ended<br><u>June 30,</u> | Taxes Levied<br>for the<br><u>Fiscal Year</u> | <u>Collected within the Fiscal Year of the Levy (a)</u> |                               | Collections in<br><u>Subsequent Years</u> |
|---|---|---|-------------------------------|---|
|   |   | <u>Amount</u>   | <u>Percentage<br/>of Levy</u> |   |
| 2022                                    | \$ 88,496,956                                 | \$ 88,496,956   | 100.00%                       | -   |
| 2021                                    | 86,794,432                                    | 86,794,432  | 100.00%                       | -   |
| 2020                                    | 85,690,035                                    | 85,690,035  | 100.00%                       | -   |
| 2019                                    | 82,870,851                                    | 82,870,851  | 100.00%                       | -   |
| 2018                                    | 80,913,490                                    | 80,913,490  | 100.00%                       | -   |
| 2017                                    | 78,878,974                                    | 78,878,974  | 100.00%                       | -   |
| 2016                                    | 76,320,650                                    | 76,320,650  | 100.00%                       | -   |
| 2015                                    | 75,161,587                                    | 75,161,587  | 100.00%                       | -   |
| 2014                                    | 73,866,208                                    | 73,866,208  | 100.00%                       | -   |
| 2013                                    | 72,429,574                                    | 72,429,574  | 100.00%                       | -   |

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

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

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
UNAUDITED

| Fiscal Year Ended June 30, | Governmental Activities      |                               |                       |               | Total District | Percentage of Personal Income (a) | Per Capita (a) |
|----------------------------|------------------------------|-------------------------------|-----------------------|---------------|----------------|-----------------------------------|----------------|
|                            | General Obligation Bonds (b) | Certificates of Participation | Installment Purchases |               |                |                                   |                |
| 2022                       | \$ 44,497,000                | \$ 1,542,028                  | \$ 892,399            | \$ 46,931,427 | 1.72%          | \$ 1,936                          |                |
| 2021                       | 49,787,000                   | 2,275,097                     | 1,435,921             | 53,498,018    | 2.04%          | 2,252                             |                |
| 2020                       | 56,177,000                   | 2,933,124                     | 1,546,143             | 60,656,267    | 2.42%          | 2,542                             |                |
| 2019                       | 61,332,000                   | 3,741,200                     | 1,371,617             | 66,444,817    | 2.80%          | 2,780                             |                |
| 2018                       | 66,327,000                   | 4,439,000                     | 1,065,005             | 71,831,005    | 3.25%          | 3,011                             |                |
| 2017                       | 71,407,000                   | 5,116,800                     | 815,431               | 77,339,231    | 3.69%          | 3,260                             |                |
| 2016                       | 78,467,000                   | 5,769,600                     | 697,710               | 84,934,310    | 4.35%          | 3,628                             |                |
| 2015                       | 63,850,000                   | 6,402,400                     | 880,339               | 71,132,739    | 3.91%          | 3,069                             |                |
| 2014                       | 67,665,000                   | 7,010,200                     | 855,032               | 75,530,232    | 4.35%          | 3,270                             |                |
| 2013                       | 71,405,000                   | 7,598,000                     | 727,523               | 79,730,523    | 4.83%          | 3,453                             |                |

Source: District ACFR Schedules I-1, I-2

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

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

(b) Includes Early Retirement Incentive Plan (ERIP) refunding if applicable.

**TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT**  
**RATIOS OF NET BONDED DEBT OUTSTANDING**  
**(UNAUDITED)**

| Fiscal Year<br>Ended<br><u>June 30,</u> | <u>General Bonded Debt Outstanding</u>  |  | Percentage of<br>Actual Taxable<br>Value (a) of<br><u>Property</u> | <u>Per Capita (b)</u> |
|---|---|--|--|-----------------------|
|   | <u>General<br/>Obligation<br/>Bonds</u> | <u>Net General<br/>Bonded Debt<br/>Outstanding</u> |  |                       |
| 2022                                    | \$ 44,497,000                           | \$ 44,497,000                                      | 0.89%  | \$ 1,836              |
| 2021                                    | 49,787,000                              | 49,787,000   | 1.01%  | 2,095                 |
| 2020                                    | 56,177,000                              | 56,177,000   | 1.41%  | 2,733                 |
| 2019                                    | 61,332,000                              | 61,332,000   | 1.70%  | 3,305                 |
| 2018                                    | 66,327,000                              | 66,327,000   | 1.67%  | 2,722                 |
| 2017                                    | 71,407,000                              | 71,407,000   | 1.77%  | 2,904                 |
| 2016                                    | 78,467,000                              | 78,467,000   | 1.86%  | 3,074                 |
| 2015                                    | 63,850,000                              | 63,850,000   | 1.95%  | 3,245                 |
| 2014                                    | 67,665,000                              | 67,665,000   | 2.12%  | 3,455                 |
| 2013                                    | 71,405,000                              | 71,405,000   | 2.18%  | 3,648                 |

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.

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



TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2021  
(UNAUDITED)

| <u>Governmental Unit</u>                           | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable (a)</u> | <u>Estimated Share of Overlapping Debt</u> |
|--|-------------------------|--|--|
| Debt repaid with property taxes                    |                         |  |  |
| Township of Montgomery                             | \$ 73,500,427           | 100%                                       | \$ 73,500,427                              |
| Borough of Rocky Hill                              | 228,000                 | 100%                                       | 228,000                                    |
| Other debt   |                         |  |  |
| Somerset County                                    | 268,745,720             | 6.04%                                      | <u>16,225,732</u>                          |
| Subtotal, overlapping debt                         |                         |  | 89,954,159                                 |
| Township of Montgomery School District Direct Debt | 44,497,000              | 100%                                       | <u>44,497,000</u>                          |
| Total direct and overlapping debt                  |                         |  | <u>\$ 134,451,159</u>                      |

Source: Municipal Chief Financial Officer, County Treasurer's Office

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

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within

**TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT**  
**LEGAL DEBT MARGIN INFORMATION**  
**(UNAUDITED)**

Legal Debt Margin Calculation for Year 2021:

Equalized Valuation Basis

| Calendar Year                                     | Montgomery              | Rocky Hill           | Total                   |
|---|-------------------------|----------------------|-------------------------|
| 2021  | \$4,966,546,069         | \$134,634,002        | \$5,101,180,071         |
| 2020  | 4,783,461,400           | 133,690,168          | 4,917,151,568           |
| 2019  | 4,836,257,077           | 133,763,859          | 4,970,020,936           |
|   | <u>\$14,586,264,546</u> | <u>\$402,088,029</u> | <u>\$14,988,352,575</u> |
| Average Equalized Valuation of Taxable Property   | \$4,862,088,182         | \$134,029,343        | \$4,996,117,525         |
| Debt Limit (4% (a) of average equalization value) |                         |                      | \$199,844,701           |
| Total Net Debt Applicable to Limit                |                         |                      | 44,497,000              |
| Legal Debt Margin                                 |                         |                      | <u>\$155,347,701</u>    |

|   | Fiscal Year Ending June 30, |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|---|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2022                        | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 | 2013                 |
| Debt Limit  | \$199,844,701               | \$194,889,826        | \$193,508,213        | \$187,735,003        | \$184,296,323        | \$182,649,314        | \$184,122,444        | \$185,954,541        | \$189,108,778        | \$192,449,022        |
| Total Net Debt Applicable To Limit                          | 44,497,000                  | 49,787,000           | 56,177,000           | 61,332,000           | 66,327,000           | 71,407,000           | 78,467,000           | 63,850,000           | 67,665,000           | 71,405,000           |
| Legal Debt Margin   | <u>\$155,347,701</u>        | <u>\$145,102,826</u> | <u>\$137,331,213</u> | <u>\$126,403,003</u> | <u>\$117,969,323</u> | <u>\$111,242,314</u> | <u>\$105,655,444</u> | <u>\$122,104,541</u> | <u>\$121,443,778</u> | <u>\$121,044,022</u> |
| Total Net Debt Applicable to the Limit as a % of Debt Limit | 22.27%                      | 25.55%               | 29.03%               | 32.67%               | 35.99%               | 39.10%               | 42.62%               | 34.34%               | 35.78%               | 37.10%               |

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation (a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
(UNAUDITED)

| Year | Population (a) |            | Personal Income (b) | Per Capita<br>Personal Income (c) | Unemployment Rate (d) |            |
|------|----------------|------------|---------------------|-----------------------------------|-----------------------|------------|
|      | Montgomery     | Rocky Hill |                     |                                   | Montgomery            | Rocky Hill |
| 2021 | 23,502         | 736        | \$2,734,652,350     | \$112,825.00                      | 4.10%                 | 3.80%      |
| 2020 | 23,094         | 666        | 2,624,672,160       | 110,466.00                        | 6.00%                 | 6.80%      |
| 2019 | 23,186         | 671        | 2,495,919,340       | 104,620.00                        | 2.50%                 | 2.20%      |
| 2018 | 23,224         | 676        | 2,371,119,000       | 99,210.00                         | 3.30%                 | 3.50%      |
| 2017 | 23,181         | 677        | 2,203,334,016       | 92,352.00                         | 3.30%                 | 3.50%      |
| 2016 | 23,046         | 679        | 2,097,266,275       | 88,399.00                         | 3.40%                 | 4.00%      |
| 2015 | 22,728         | 681        | 1,951,982,874       | 83,386.00                         | 4.00%                 | 3.80%      |
| 2014 | 22,494         | 684        | 1,827,979,326       | 78,867.00                         | 4.40%                 | 3.50%      |
| 2013 | 22,415         | 686        | 1,735,370,221       | 75,121.00                         | 5.80%                 | 2.40%      |
| 2012 | 22,407         | 684        | 1,646,388,300       | 71,300.00                         | 5.20%                 | 6.60%      |

## Source:

- (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 US Department of Commerce, Bureau of Economic Analysis.  
(d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.  
\* Information not applicable prior to merger

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO - MONTGOMERY  
UNAUDITED

| <u>Employer</u> | 2022                  |                                       | 2013                  |   |
|-----------------|-----------------------|---------------------------------------|-----------------------|---|
|                 | <u># of Employees</u> | <u>Percentage of Total Employment</u> | <u># of Employees</u> | <u>Rank (Optional)</u><br><u>Percentage of Total Employment</u> |
|                 |                       |                                       |                       |   |
|                 |                       |                                       |                       |   |

NOT AVAILABLE

Source: Municipal Records

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO - ROCKY HILL  
 UNAUDITED

| <u>Employer</u> | 2022                  |                                       | 2013                   |                                       |
|-----------------|-----------------------|---------------------------------------|------------------------|---------------------------------------|
|                 | <u># of Employees</u> | <u>Percentage of Total Employment</u> | <u>Rank (Optional)</u> | <u>Percentage of Total Employment</u> |
|                 |                       |                                       |                        |                                       |
|                 |                       |                                       |                        |                                       |
|                 |                       |                                       |                        |                                       |
|                 |                       |                                       |                        |                                       |
|                 |                       |                                       |                        |                                       |
|                 |                       |                                       |                        |                                       |

NOT AVAILABLE

Source: Municipal Records

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 (UNAUDITED)

| Function/Program                       | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|------|------|------|------|------|------|------|------|------|------|
| Instruction                            | 298  | 307  | 323  | 320  | 311  | 311  | 306  | 306  | 313  | 317  |
| Regular                                | 89   | 92   | 99   | 194  | 181  | 173  | 159  | 159  | 134  | 126  |
| Special education                      |      |      |      |      |      |      |      |      |      |      |
| Support Services:                      |      |      |      |      |      |      |      |      |      |      |
| Student & instruction related services | 147  | 142  | 138  | 75   | 81   | 87   | 87   | 78   | 77   | 75   |
| General administrative services        | 12   | 10   | 11   | 5    | 5    | 5    | 5    | 5    | 5    | 5    |
| School administrative services         | 22   | 24   | 27   | 32   | 35   | 35   | 35   | 36   | 36   | 30   |
| Business administrative services       | 8    | 8    | 8    | 14   | 12   | 12   | 13   | 13   | 13   | 12   |
| Plant operations and maintenance       | 46   | 48   | 48   | 49   | 53   | 51   | 51   | 52   | 52   | 52   |
| Pupil transportation                   | 55   | 54   | 53   | 56   | 63   | 57   | 61   | 63   | 64   | 64   |
| Athletics                              | 3    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    |
| Total                                  | 680  | 689  | 711  | 749  | 745  | 735  | 721  | 716  | 698  | 685  |

Source: District Personnel Records

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
OPERATING STATISTICS  
 (UNAUDITED)

| Fiscal Year | Enrollment | Operating Expenditures (a) | Cost Per Pupil | % Change | Teaching Staff (b) | Teacher/Pupil Ratio |               |             | Average Daily Enrollment (c) | Average Daily Attendance (c) | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|----------------------------|----------------|----------|--------------------|---------------------|---------------|-------------|------------------------------|------------------------------|--------------------------------------|-------------------------------|
|             |            |                            |                |          |                    | Elementary School   | Middle School | High School |                              |                              |                                      |                               |
| 2022        | 4,533      | \$109,914,095              | 24,248         | 10.70%   | 438                | 1:16                | 1:16          | 1:16        | 4,554.5                      | 4,302.6                      | 1.15%                                | 94.47%                        |
| 2021        | 4,503      | 98,636,433                 | 21,905         | 5.17%    | 458                | 1:16                | 1:16          | 1:16        | 4,502.9                      | 4,435.5                      | (3.87%)                              | 98.50%                        |
| 2020        | 4,707      | 98,038,550                 | 20,828         | 1.04%    | 456                | 1:20                | 1:20          | 1:20        | 4,684.4                      | 4,573.1                      | 0.57%                                | 97.62%                        |
| 2019        | 4,658      | 96,015,283                 | 20,613         | 9.88%    | 454                | 1:20                | 1:20          | 1:20        | 4,658.0                      | 4,595.0                      | (1.80%)                              | 98.65%                        |
| 2018        | 4,787      | 89,802,476                 | 18,760         | 3.92%    | 468                | 1:20                | 1:20          | 1:20        | 4,743.5                      | 4,570.8                      | (0.79%)                              | 96.36%                        |
| 2017        | 4,799      | 86,634,678                 | 18,053         | 1.50%    | 468                | 1:20                | 1:21          | 1:20        | 4,781.4                      | 4,613.3                      | 0.12%                                | 96.48%                        |
| 2016        | 4,763      | 84,712,284                 | 17,785         | 3.72%    | 468                | 1:17                | 1:20          | 1:20        | 4,775.7                      | 4,626.1                      | 0.39%                                | 96.87%                        |
| 2015        | 4,737      | 81,227,383                 | 17,147         | 3.90%    | 465                | 1:17                | 1:20          | 1:20        | 4,757.0                      | 4,604.0                      | (0.52%)                              | 96.78%                        |
| 2014        | 4,784      | 78,955,459                 | 16,504         | 5.58%    | 447                | 1:20                | 1:20          | 1:18        | 4,782.0                      | 4,624.0                      | (2.04%)                              | 96.70%                        |
| 2013        | 4,892      | 76,472,735                 | 15,632         | 2.53%    | 443                | 1:18                | 1:22          | 1:18        | 4,881.8                      | 4,704.6                      | (1.63%)                              | 96.37%                        |

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

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

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

| District Building                              | 2022    | 2021    | 2020    | 2019    | 2018    | 2017    | 2016    | 2015    | 2014    | 2013    |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Village School                                 | 88,131  | 88,131  | 88,131  | 88,131  | 84,370  | 83,425  | 83,425  | 83,425  | 83,425  | 83,425  |
| Square Feet                                    | 895     | 895     | 895     | 895     | 895     | 883     | 883     | 883     | 883     | 883     |
| Capacity (students)                            | 642     | 634     | 660     | 660     | 697     | 657     | 636     | 666     | 665     | 680     |
| Enrollment                                     |         |         |         |         |         |         |         |         |         |         |
| Orchard Hill                                   |         |         |         |         |         |         |         |         |         |         |
| Square Feet                                    | 129,995 | 129,995 | 129,995 | 129,995 | 129,995 | 129,995 | 129,995 | 129,995 | 129,995 | 129,995 |
| Capacity (students)                            | 1,241   | 1,241   | 1,241   | 1,241   | 1,241   | 1,241   | 1,241   | 1,241   | 1,241   | 1,241   |
| Enrollment <sup>a</sup>                        | 774     | 727     | 813     | 811     | 897     | 906     | 848     | 838     | 789     | 854     |
| Lower Middle School - (1999-2005 = Grades 6-8) |         |         |         |         |         |         |         |         |         |         |
| Square Feet                                    | 127,300 | 127,300 | 127,300 | 127,300 | 127,300 | 127,300 | 127,300 | 127,300 | 127,300 | 127,300 |
| Capacity (students)                            | 875     | 875     | 875     | 875     | 875     | 875     | 875     | 875     | 875     | 875     |
| Enrollment                                     | 716     | 743     | 797     | 792     | 720     | 774     | 776     | 751     | 778     | 797     |
| Upper Middle School - (2005-Moved to HS)       |         |         |         |         |         |         |         |         |         |         |
| Square Feet                                    | 142,349 | 142,349 | 142,349 | 142,349 | 142,349 | 142,349 | 142,349 | 142,349 | 142,349 | 142,349 |
| Capacity (students)                            | 985     | 985     | 985     | 985     | 985     | 985     | 985     | 985     | 985     | 985     |
| Enrollment                                     | 831     | 776     | 778     | 776     | 835     | 815     | 820     | 819     | 838     | 822     |
| High School - (New Building - 2005/2006)       |         |         |         |         |         |         |         |         |         |         |
| Square Feet                                    | 429,000 | 406,000 | 406,000 | 406,000 | 406,000 | 406,000 | 406,000 | 406,000 | 406,000 | 406,000 |
| Capacity (students)                            | 1,779   | 1,779   | 1,779   | 1,779   | 1,779   | 1,779   | 1,779   | 1,779   | 1,779   | 1,779   |
| Enrollment                                     | 1,570   | 1,576   | 1,624   | 1,619   | 1,638   | 1,647   | 1,683   | 1,702   | 1,714   | 1,738   |
| Transportation                                 |         |         |         |         |         |         |         |         |         |         |
| Square Feet                                    | 3,385   | 3,385   | 3,385   | 3,385   | 3,385   | 3,385   | 3,385   | 3,385   | 3,385   | 3,385   |

Number of Schools at June 30, 2022

- Elementary = 2
- Middle School = 2
- High School = 1
- Other = 1

Source: District records, ASSA, LRF



TOWNSHIP OF MONTGOMERY - SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

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

| School Facilities       | Project # (\$) | 2022       | 2021       | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         | 2013         |
|-------------------------|----------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Village Elementary      | N/A            | \$ 98,214  | \$ 91,665  | \$ 108,575   | \$ 105,119   | \$ 94,288    | \$ 114,788   | \$ 111,694   | \$ 127,328   | \$ 108,621   | \$ 90,679    |
| Orchard Hill Elementary | N/A            | 138,675    | 134,152    | 156,375      | 117,484      | 145,826      | 180,501      | 148,124      | 169,968      | 179,223      | 150,018      |
| Lower Middle School     | N/A            | 152,301    | 118,293    | 163,838      | 153,324      | 162,875      | 114,803      | 128,225      | 142,282      | 180,642      | 131,882      |
| Upper Middle School     | N/A            | 71,355     | 154,219    | 188,845      | 186,309      | 156,504      | 140,797      | 138,528      | 181,520      | 372,452      | 161,234      |
| High School             | N/A            | 402,932    | 471,524    | 546,759      | 451,470      | 505,094      | 416,209      | 513,156      | 392,448      | 873,111      | 502,862      |
| Total School Facilities |                | \$ 863,477 | \$ 969,853 | \$ 1,164,392 | \$ 993,706   | \$ 1,064,587 | \$ 967,098   | \$ 1,039,727 | \$ 1,013,546 | \$ 1,714,049 | \$ 1,036,675 |
| Other Facilities *      |                | 2,371      | 2,154      | 2,301        | 42,959       | 315,118      | 33,432       | 19,688       | 85,429       | 368,122      | 83,937       |
| Grand Total             |                | \$ 865,848 | \$ 972,007 | \$ 1,166,693 | \$ 1,036,665 | \$ 1,379,705 | \$ 1,000,530 | \$ 1,059,415 | \$ 1,098,975 | \$ 2,082,171 | \$ 1,120,612 |

\* Other Facilities includes cost of purchase and installation of new modular transportation building to be operational in July 2018

MONTGOMERY TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2022  
(UNAUDITED)

| Company                     | Type of Coverage   | Coverage   | Deductible             |
|-----------------------------|--|--|------------------------|
| SAIF                        | Property Blanket Building & Contents-<br>Replacement Cost Values   | \$ 500,000,000   | \$ 2,500               |
| SAIF                        | Flood  | 25,000,000   | 1,000,000 /<br>250,000 |
| SAIF                        | Earthquake   | 25,000,000   | 5%                     |
| SAIF                        | Environmental/Pollution Liability  | 1,000,000 occ/<br>25,000,000 agg.                                  | 10,000                 |
| SAIF                        | General Liability<br>-Each Occurrence<br>-General Aggregate<br>-Personal Injury<br>-Fire Damage<br>-Aggregate  | 10,000,000<br>10,000,000<br>10,000,000<br>10,000,000<br>10,000,000 |                        |
| SAIF                        | Automotive Coverage<br>-Combined Single Limit<br>-Hired/Non-Owned<br>-Uninsured & Underinsured<br>Auto Physical Damage   | 10,000,000<br>10,000,000<br>15,000/30,000/5,000<br>included        | 1,000                  |
| SAIF                        | Crime Coverage<br>-Money & Securities (inside/outside)<br>- Blanket Dishonesty Bond (including<br>Faithful Performance for Elected Officials)                  | 50,000<br>500,000  | 1,000                  |
| SAIF                        | Cyber Liability<br>- Third Party Pool Limit<br>- Third Party Each Member<br>- First Party  | 25,000,000<br>2,000,000<br>750,000                                 | 10,000                 |
| SAIF                        | Boiler & Machinery Coverage  | 100,000,000  | 2,500                  |
| NJUEP                       | Umbrella Liability Coverage<br>-Occurrence Limit<br>-Aggregate Limit   | 30,000,000<br>30,000,000   |                        |
| NJSIG                       | Workers Compensation<br>Employers' Liability<br>- Bodily Injury by Accident<br>- Bodily Injury by Disease - Employee<br>- Bodily Injury by Disease - Aggregate | Statutory<br>3,000,000<br>3,000,000<br>3,000,000                   |                        |
| NJSIG                       | School Leaders Errors & Omissions<br>-Each Claim<br>-Aggregate<br>Retroactive Date: July 1, 1986   | 10,000,000<br>12,000,000   | 15,000                 |
| Hanover Insurance           | Surety Bonds<br>- Business Administrator/Board Secretary   | 415,000  |                        |
| Beazley Syndicate at Lloyds | Pollution Liability with Mold  | 1,000,000 occ/<br>2,000,000 agg.                                   | \$25,000               |

Source: District Records

**SINGLE AUDIT SECTION**



**SUPLEE, CLOONEY & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Honorable President and Members  
of the Board of Education  
Township of Montgomery School District  
County of Somerset  
Skillman, New Jersey 08558

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Township of Montgomery School District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated February 17, 2023.

***Internal Control Over Financial Reporting***

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

# SUPLEE, CLOONEY & COMPANY

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

## ***Compliance and Other Matters***

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

## ***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.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

February 17, 2023



**SUPLEE, CLOONEY & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and Members  
of the Board of Education  
Township of Montgomery School District  
County of Somerset  
Skillman, New Jersey 08558

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

***Opinion on Each Major Federal and State Program***

We have audited the Township of Montgomery School District, County of Somerset, State of New Jersey (the "District") compliance with the types of compliance requirements described in the federal *OMB Compliance Supplement* and the New Jersey *OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Township of Montgomery School District's major federal and state programs for the year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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 year ended June 30, 2022.

***Basis for Opinion on Each Major Federal and State Program***

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

## SUPLEE, CLOONEY & COMPANY

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

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal and state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and New Jersey OMB State Grant Compliance Supplement, we:

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

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

**Report on Internal Control over Compliance**

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

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

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

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

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

February 17, 2023



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

| FEDERAL AID NUMBER                            | FEDERAL AID TITLE | FEDERAL STATE PROJECT NUMBER | GRANT OR PROJECT NUMBER | GRANT PERIOD | AWARD AMOUNT | BALANCE AT JUNE 30, 2021 | CARRYOVER AMOUNT | CASH RECEIVED   | BUDGETARY EXPENDITURES | REPAYMENT OF PRIOR YEAR BALANCES | SUBRECIPIENT BUDGETARY EXPENDITURES | (ACCOUNTS RECEIVABLE) | BALANCE AT JUNE 30, 2022 |
|---|-------------------|------------------------------|-------------------------|--------------|--------------|--------------------------|------------------|-----------------|------------------------|----------------------------------|-------------------------------------|-----------------------|--------------------------|
| <b>Enterprise Funds</b>                       |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| U.S. Department of Agriculture                |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| Pass-through State Department of Education:   |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| Child Nutrition Cluster:                      |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| 10.555  | 211NJ304N1099     | N/A                          | 07/01/2020              | 06/30/2021   | \$41,844.18  | \$488.81                 | \$               | \$44,371.98     | (\$488.81)             | \$                               | \$                                  | \$                    | \$                       |
| 10.555  | 211NJ304N1099     | N/A                          | 07/01/2021              | 06/30/2022   | 44,371.88    | (21,965.89)              |                  | 21,965.58       | (44,371.88)            |                                  |                                     |                       |                          |
| 10.555  | 211NJ304N1099     | N/A                          | 07/01/2020              | 06/30/2021   | 223,327.26   | (1,901,348.78)           |                  | 1,721,627.34    | (1,901,348.78)         |                                  |                                     | (\$179,721.44)        |                          |
| 10.555  | 211NJ304N1099     | N/A                          | 07/01/2020              | 06/30/2021   | 100,381.68   | (11,827.62)              |                  | 11,827.62       | (11,827.62)            |                                  |                                     | (61,100.28)           |                          |
| 10.555  | 211NJ304N1099     | N/A                          | 07/01/2020              | 06/30/2021   | 683,595.31   | (438.06)                 |                  | 622,495.03      | (683,595.31)           |                                  |                                     |                       |                          |
| 10.555  | 211NJ304N1099     | N/A                          | 07/01/2020              | 06/30/2021   | 4,453.82     | (2,895.23)               |                  | 2,895.23        | (2,895.23)             |                                  |                                     | (240,821.72)          |                          |
| 10.555  | 212121H170341     | N/A                          | 07/01/2020              | 06/30/2021   | 2,895.23     | (56,437.88)              |                  | 2,426,048.84    | (2,426,048.84)         |                                  |                                     |                       |                          |
| 10.649  | 2022225900841     | N/A                          | 07/01/2021              | 06/30/2022   | 628.00       |                          |                  | 628.00          |                        |                                  |                                     |                       |                          |
| <b>Total Enterprise Funds</b>                 |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| U.S. Department of Education:                 |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| Passed-through State Department of Education: |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| Medical Assistance Program (SEMI)             |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| 93.778  | 2105NJ5MAP        | N/A                          | 07/01/2021              | 06/30/2022   | 17,190.01    |                          |                  | 15,635.35       | (17,190.01)            |                                  |                                     | (1,554.66)            |                          |
| <b>Total General Fund</b>                     |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| <b>Special Revenue Fund</b>                   |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| U.S. Department of Education:                 |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| I.D.E.A. Part B Special Education Cluster:    |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| 84.027  | H037A300100       | IDEA332021                   | 07/01/2020              | 06/30/2021   | 922,351.00   | (62,621.41)              |                  | 60,468.00       | (60,468.00)            |                                  |                                     | (2,133.41)            |                          |
| 84.027  | H037A301000       | IDEA332022                   | 07/01/2021              | 06/30/2022   | 814,811.00   |                          |                  | 739,884.00      | (891,054.84)           |                                  |                                     | (151,450.84)          |                          |
| 84.027X                                       | H037A301000       | IDEA332022                   | 07/01/2021              | 06/30/2022   | 251,941.00   |                          |                  | 143,272.00      | (162,845.00)           |                                  |                                     | (18,573.00)           |                          |
| 84.173  | H173A200114       | IDEA332021                   | 07/01/2020              | 06/30/2021   | 25,142.00    | (6,428.00)               |                  | 5,428.00        | (25,516.00)            |                                  |                                     | (7,073.00)            |                          |
| 84.173A                                       | H173A20114        | IDEA332022                   | 07/01/2021              | 06/30/2022   | 25,516.00    |                          |                  | 18,443.00       | (25,516.00)            |                                  |                                     | (7,073.00)            |                          |
| 84.173X                                       | H173A210114       | IDEA332022                   | 07/01/2021              | 06/30/2022   | 17,241.00    |                          |                  | 954,276.00      | (17,241.00)            |                                  |                                     | (180,230.35)          |                          |
| <b>Total Special Education Cluster</b>        |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| <b>E.S.E.A.:</b>                              |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| 84.010  | S010A200030       | ESEA332021                   | 07/01/2020              | 06/30/2021   | 468,564.00   | (76,324.00)              |                  | 79,324.00       | (468,564.00)           |                                  |                                     | (70,388.15)           |                          |
| 84.010  | S010A200030       | ESEA332022                   | 07/01/2021              | 06/30/2022   | 107,510.00   |                          |                  | 24,264.00       | (107,510.00)           |                                  |                                     |                       |                          |
| 84.367A                                       | S067A300030       | ESEA332021                   | 07/01/2020              | 06/30/2021   | 175,742.00   | (13,285.00)              |                  | 13,285.00       | (175,742.00)           |                                  |                                     | (87,094.85)           |                          |
| 84.367A                                       | S067A300030       | ESEA332022                   | 07/01/2021              | 06/30/2022   | 207,941.00   |                          |                  | 30,884.00       | (207,941.00)           |                                  |                                     | (80.00)               |                          |
| 84.365  | S386A210030       | ESEA332021                   | 07/01/2020              | 06/30/2021   | 22,863.00    | (6,582.00)               |                  | 13,894.00       | (22,863.00)            |                                  |                                     | (79.27)               |                          |
| 84.365  | S386A210030       | ESEA332022                   | 07/01/2021              | 06/30/2022   | 39,811.00    |                          |                  | 5,400.00        | (39,811.00)            |                                  |                                     |                       |                          |
| 84.424  | S424A210031       | ESEA332021                   | 07/01/2020              | 06/30/2021   | 36,047.00    | (6,400.00)               |                  | 1,319.00        | (36,047.00)            |                                  |                                     | (521.30)              |                          |
| 84.424  | S424A210031       | ESEA332022                   | 07/01/2021              | 06/30/2022   | 20,197.00    | (103,591.00)             |                  | 397,243.00      | (20,197.00)            |                                  |                                     | (158,173.27)          |                          |
| <b>Total E.S.E.A.</b>                         |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| <b>Education Stabilization Fund:</b>          |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| 84.425D                                       | S425D200027       | 21-5120-513                  | 03/13/2020              | 09/30/2022   | 246,107.00   |                          |                  | 423.00          | (246,107.00)           |                                  |                                     | (27,479.89)           |                          |
| 84.425D                                       | S425D200027       | 21-5120-518                  | 03/13/2020              | 09/30/2022   | 524,895.00   | (312,647.65)             |                  | 594,897.00      | (524,895.00)           |                                  |                                     | (12,674.54)           |                          |
| 84.425D                                       | S425D200027       | 21-5120-518                  | 03/13/2020              | 09/30/2022   | 45,000.00    |                          |                  | 198,699.00      | (45,000.00)            |                                  |                                     | (46,112.61)           |                          |
| 84.425U                                       | S425U210027       | 21-5120-523                  | 03/13/2020              | 09/30/2024   | 957,160.00   |                          |                  | 4,729.00        | (957,160.00)           |                                  |                                     | (7,785.02)            |                          |
| 84.425U                                       | S425U210027       | 21-5120-523                  | 03/13/2020              | 09/30/2024   | 40,000.00    |                          |                  | 4,044.00        | (40,000.00)            |                                  |                                     | (2,343.44)            |                          |
| 84.425U                                       | S425U210027       | 21-5120-523                  | 03/13/2020              | 09/30/2024   | 45,000.00    |                          |                  | 792,781.00      | (45,000.00)            |                                  |                                     | (86,395.50)           |                          |
| <b>Total Education Stabilization Fund</b>     |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| <b>U.S. Department of Treasury:</b>           |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| Coronavirus Relief Fund:                      |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| 21.027  | SLFRFDOE1SES      | N/A                          | 07/01/2021              | 06/30/2022   | 31,395.00    |                          |                  |                 | (31,395.00)            |                                  |                                     |                       |                          |
| <b>Total Special Revenue Fund</b>             |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
| <b>Total Expenditures of Federal Awards</b>   |                   |                              |                         |              |              |                          |                  |                 |                        |                                  |                                     |                       |                          |
|   |                   |                              |                         |              |              |                          |                  | \$ 2,174,500.00 | \$ (2,156,206.86)      | \$                               | \$                                  | \$ (466,194.12)       | \$                       |
|   |                   |                              |                         |              |              |                          |                  | \$ 4,616,184.19 | \$ (4,803,828.85)      | \$                               | \$                                  | \$ (708,570.50)       | \$                       |

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

TOWNSHIP OF MONTGOMERY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| STATE GRANT OR PROGRAM TITLE                  | GRANT OR STATE PROJECT NUMBER | AWARD AMOUNT  | BALANCE AT JUNE 30, 2021       |                 | GRANT PERIOD | CASH RECEIVED | BUDGETARY EXPENDITURES | ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES | BALANCE AT JUNE 30, 2022       |                 | MEMO RECEIVABLE | MEMO CUMULATIVE TOTAL EXPENDITURES |
|---|-------------------------------|---------------|--------------------------------|-----------------|--------------|---------------|------------------------|---|--------------------------------|-----------------|-----------------|------------------------------------|
|   |                               |               | UNEARNED REVENUE (ACCTS. REC.) | DUE TO GRANITOR |              |               |                        |   | UNEARNED REVENUE (ACCTS. REC.) | DUE TO GRANITOR |                 |                                    |
| <b>General Fund:</b>                          |                               |               |                                |                 |              |               |                        |   |                                |                 |                 |                                    |
| State Aid Cluster:                            |                               |               |                                |                 |              |               |                        |   |                                |                 |                 |                                    |
| Special Education Aid                         | 22-495-034-5120-089           | 4,077,203.00  | \$                             | \$              | 06/30/2022   | 3,737,061.00  | (4,077,203.00)         | 340,142.00                                    | \$                             | \$              | (340,142.00)    | 4,077,203.00                       |
| Security Aid                                  | 22-495-034-5120-084           | 395,031.00    |                                |                 | 07/01/2021   | 346,950.00    | (395,031.00)           | 48,081.00                                     |                                |                 | (48,081.00)     | 395,031.00                         |
| Total State Aid Cluster                       |                               |               |                                |                 |              | 4,084,011.00  | (4,472,234.00)         | 388,223.00                                    |                                |                 | (388,223.00)    | 4,472,234.00                       |
| Extraordinary Special Education Costs Aid     | 21-495-034-5120-044           | 2,871,485.00  | (2,871,485.00)                 |                 | 06/30/2021   | 2,871,485.00  | (2,854,281.00)         |   | (2,854,281.00)                 |                 |                 | 2,871,485.00                       |
| Nonpublic School Transportation Costs Aid     | 21-495-034-5120-014           | 99,180.00     | (99,180.00)                    |                 | 06/30/2021   | 99,180.00     | (109,170.00)           |   | (109,170.00)                   |                 |                 | 99,180.00                          |
| Nonpublic School Transportation Costs Aid     | 22-495-034-5120-014           | 1,389,853.00  |                                |                 | 06/30/2022   | 1,216,638.00  | (1,389,853.00)         | 173,315.00                                    |                                |                 | (109,170.00)    | 1,389,853.00                       |
| Categorical Transportation Aid                | 22-495-034-5120-014           | 14,583,954.00 |                                |                 | 06/30/2022   | 14,583,954.00 | (14,583,954.00)        |   |                                |                 | (173,315.00)    | 14,583,954.00                      |
| On-behalf TPAF Pension Contribution           | 22-495-034-5094-006           | 205,759.00    |                                |                 | 06/30/2022   | 205,759.00    | (205,759.00)           |   |                                |                 |                 | 205,759.00                         |
| On-behalf TPAF non-contributory insurance     | 22-495-034-5094-006           | 3,455,475.00  |                                |                 | 06/30/2022   | 3,455,475.00  | (3,455,475.00)         |   |                                |                 |                 | 3,455,475.00                       |
| On-behalf TPAF post retirement medical        | 22-495-034-5094-001           | 5,776.00      |                                |                 | 06/30/2022   | 5,776.00      | (5,776.00)             |   |                                |                 |                 | 5,776.00                           |
| On-behalf TPAF long term disability insurance | 22-495-034-5094-004           | 2,892,639.22  | (142,255.33)                   |                 | 06/30/2021   | 142,255.33    | (2,959,070.65)         |   | (145,018.27)                   |                 | (145,018.27)    | 2,892,639.22                       |
| Reimbursed TPAF Social Security Contributions | 22-495-034-5094-003           | 2,959,070.65  | (3,112,950.33)                 |                 | 06/30/2022   | 2,959,070.65  | (3,035,672.63)         | 561,538.00                                    | (3,108,469.27)                 |                 | (3,670,007.27)  | 2,959,070.65                       |
| Total   |                               |               |                                |                 |              | 29,479,615.71 | (30,035,672.63)        | 561,538.00                                    | (3,108,469.27)                 |                 | (3,670,007.27)  | 35,898,976.87                      |
| <b>Special Revenue Fund:</b>                  |                               |               |                                |                 |              |               |                        |   |                                |                 |                 |                                    |
| Textbook Aid                                  | 21-100-034-5120-064           | 9,835.00      | 1,032.00                       |                 | 06/30/2021   | 9,904.00      | (9,953.00)             |   |                                | 851.00          |                 | 9,835.00                           |
| Nursing Aid                                   | 21-100-034-5120-070           | 16,932.00     | 300.00                         |                 | 06/30/2021   | 19,152.00     | (18,650.00)            |   |                                | 502.00          |                 | 16,932.00                          |
| Technology Aid                                | 21-100-034-5120-373           | 6,930.00      | 500.00                         |                 | 06/30/2022   | 6,930.00      | (6,187.00)             |   |                                | 743.00          |                 | 6,930.00                           |
| Security Aid                                  | 21-100-034-5120-509           | 29,925.00     |                                |                 | 06/30/2021   | 29,925.00     | (29,370.00)            |   |                                | 555.00          |                 | 29,925.00                          |
| Handicapped Services:                         |                               |               |                                |                 |              |               |                        |   |                                |                 |                 |                                    |
| Supplementary Instruction                     | 21-100-034-5120-065           | 5,476.00      | 4,765.06                       |                 | 06/30/2021   | 3,304.00      | (3,309.39)             | (4,766.06)                                    |                                |                 |                 | 1,709.94                           |
| Supplementary Instruction                     | 21-100-034-5120-066           | 13,931.00     | 3,161.78                       |                 | 06/30/2021   | 5,499.00      | (5,118.61)             | (3,161.78)                                    |                                | 2,973.61        |                 | 330.39                             |
| Examination and Classification                | 21-100-034-5120-066           | 3,646.00      | 3,099.16                       |                 | 06/30/2021   | 4,836.00      | (3,999.00)             | (3,099.16)                                    |                                | 837.00          |                 | 5,118.61                           |
| Corrective Speech                             | 21-100-034-5120-066           | 4,836.00      |                                |                 | 06/30/2022   |               |                        |   |                                |                 |                 | 4,836.00                           |
| Auxiliary Services:                           |                               |               |                                |                 |              |               |                        |   |                                |                 |                 |                                    |
| Compulsory Education                          | 21-100-034-5120-067           | 1,742.00      | 523.00                         |                 | 06/30/2021   | 914.00        |                        | (523.00)                                      |                                | 914.00          |                 | 1,219.00                           |
| E.S.L.  | 22-100-034-5120-067           | 114,675.00    |                                |                 | 06/30/2022   | 114,675.00    | (114,675.00)           |   |                                |                 |                 | 114,675.00                         |
| SDA Emergent Needs                            | 22-100-034-5120-519           |               | 13,382.00                      |                 | 06/30/2022   | 195,139.00    | (187,993.00)           |   |                                | 7,756.00        |                 | 283,601.00                         |
| Total   |                               |               |                                |                 |              | 90,000.00     | (115,940.76)           |   | (25,940.76)                    |                 | (25,940.76)     | 115,940.76                         |
| Capital Project Fund:                         |                               |               |                                |                 |              |               |                        |   |                                |                 |                 |                                    |
| Alyssa's Law - Security Grant                 | 22E00118                      | 287,839.00    |                                |                 | 09/01/2021   | 90,000.00     | (115,940.76)           |   | (25,940.76)                    |                 | (25,940.76)     | 115,940.76                         |
| Total   |                               |               |                                |                 |              | 90,000.00     | (115,940.76)           |   | (25,940.76)                    |                 | (25,940.76)     | 115,940.76                         |
| <b>Debt Service Fund - Type II</b>            |                               |               |                                |                 |              |               |                        |   |                                |                 |                 |                                    |
| Debt Service Aid                              | 22-495-034-5120-017           | 691,892.00    |                                |                 | 06/30/2022   | 691,892.00    | (691,892.00)           |   |                                |                 |                 | 691,892.00                         |
| Total   |                               |               |                                |                 |              | 691,892.00    | (691,892.00)           |   |                                |                 |                 | 691,892.00                         |
| <b>Enterprises Fund:</b>                      |                               |               |                                |                 |              |               |                        |   |                                |                 |                 |                                    |
| Child Nutrition Cluster:                      |                               |               |                                |                 |              |               |                        |   |                                |                 |                 |                                    |
| National School Lunch Program (State Share)   | 21-100-010-3960-067           | 11,508.63     | (1,595.79)                     |                 | 06/30/2021   | 5,995.79      |                        |   |                                |                 |                 | 11,508.63                          |
| National School Lunch Program (State Share)   | 22-100-010-3960-067           | 44,509.19     |                                |                 | 06/30/2022   | 40,373.13     | (44,509.19)            |   | (4,136.06)                     |                 | (4,136.06)      | 44,509.19                          |
| Total Child Nutrition Cluster                 |                               |               |                                |                 |              | 47,368.92     | (44,509.19)            |   | (4,136.06)                     |                 | (4,136.06)      | 56,017.82                          |
| Total State Financial Assistance              |                               |               |                                |                 |              | 30,497,615.63 | (31,075,397.60)        | 548,156.00                                    | (3,138,546.08)                 | 7,756.00        | (3,700,084.09)  | 37,026,428.45                      |

Less: On-behalf amounts not utilized for determination of Major Programs:  
 On-behalf TPAF pension contribution  
 On-behalf TPAF non-contributory insurance  
 On-behalf TPAF post retirement medical  
 On-behalf TPAF long term disability insurance  
 Total State Financial Assistance Subject to Single Audit

See accompanying notes to schedules of expenditures of federal awards and state financial assistance

**Township of Montgomery School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2022**

**NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions 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 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

**Township of Montgomery School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2022**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$71,267.00) for the general fund, \$113,413.33 for the special revenue fund and \$61,898.24 for the capital projects fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

|  | <u>Federal</u>        | <u>State</u>           | <u>Total</u>           |
|--|-----------------------|------------------------|------------------------|
| General Fund                           | \$17,190.01           | \$29,964,405.65        | \$29,981,595.66        |
| Special Revenue Fund                   | 2,384,294.39          | 72,708.00              | 2,457,002.39           |
| Capital Projects Fund                  |                       | 177,839.00             | 177,839.00             |
| Debt Service Fund                      |                       | 691,892.00             | 691,892.00             |
| Food Service Fund                      | <u>2,630,432.88</u>   | <u>44,509.19</u>       | <u>2,674,942.07</u>    |
|  | \$5,031,917.28        | \$30,951,353.84        | \$35,983,271.12        |
| GAAP Adjustment                        | <u>(228,088.33)</u>   | <u>124,043.76</u>      | <u>(104,044.57)</u>    |
| Total Awards &<br>Financial Assistance | <u>\$4,803,828.95</u> | <u>\$31,075,397.60</u> | <u>\$35,879,226.55</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**

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2022. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2022.

**Township of Montgomery School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2022**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

- |     |  |            |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued:   | Unmodified |
| (2) | Internal Control Over Financial Reporting:   |            |
|     | (a) Material weakness identified?  | No         |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No         |
| (3) | Noncompliance material to basic financial statements noted?                                | No         |

**Federal Program(s)**

- |     |  |            |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs:  |            |
|     | (a) Material weakness identified?  | No         |
|     | (a) Significant deficiencies identified that are not considered to be material weaknesses?             | No         |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)?                            | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | No         |
| (4) | Identification of Major Federal Program(s):  |            |

| <u>Program</u>                             | <u>ALN</u> |
|--|------------|
| Education Stabilization Fund:              |            |
| CARES - ESSERF                             | 84.425D    |
| CARES - ESSER II                           | 84.425D    |
| ARP- ESSER                                 | 84.425U    |
| Child Nutrition Cluster:                   |            |
| National School Breakfast Program          | 10.553     |
| National School Lunch Program              | 10.555     |
| National School Lunch Program- Commodities | 10.555     |
| P-EBT Administrative                       | 10.555     |

**Township of Montgomery School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2022**

**Section I – Summary of Auditor’s Results (Continued)**

**Federal Program(s) (Continued)**

- (5) Program Threshold Determination:  
     Type A Federal Program Threshold > \$750,000.00  
     Type B Federal Program Threshold <= \$750,000.00
- (6) Auditee qualified as a low-risk auditee under the Uniform Guidance?      Yes

**State Program(s)**

- (1) Internal Control Over Major State Programs:
  - (a) Material weakness identified?      No
  - (b) Significant deficiencies identified that are not considered to be material weaknesses?      No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)?      Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?      No
- (4) Identification of Major State Program(s):

| <u>Program</u>                 | <u>Grant Number</u> |
|--------------------------------|---------------------|
| Categorical Transportation Aid | 22-495-034-5120-014 |
| Extraordinary Aid              | 22-495-034-5120-044 |

- (5) Program Threshold Determination:  
     Type A State Program Threshold > \$750,000.00  
     Type B State Program Threshold <= \$750,000.00
- (6) Auditee qualified as a low-risk auditee under NJ OMB Circular 15-08?      Yes

**Township of Montgomery School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2022**

**Section II – Financial Statement Audit – Reported Findings**  
**Under Government Auditing Standards**

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

**Section III – Findings and Questioned Costs Relative to Major Federal and State Programs**

Federal Programs – None Reported

State Programs – None Reported

**Township of Montgomery School District**

**Schedule of Prior Year Audit Findings**

There were no prior year findings.