

**MONTAGUE TOWNSHIP  
SCHOOL DISTRICT**

**Montague Township School District  
Board of Education  
Montague, Sussex County  
New Jersey**

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

# **Annual Comprehensive**

## **Financial Report**

**of the**

**Montague Township School District**

**Board of Education**

**Montague, New Jersey**

**For the Fiscal Year Ending June 30, 2023**

**Prepared by**

**Montague Township School District**

**Board of Education**

**Finance Department**

# OUTLINE OF ACFR

## INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	1
Organizational Chart	2
Roster of Officials	3
Consultants and Advisors	4

## FINANCIAL SECTION

<b>Independent Auditor's Report</b>	7-9
<b>Required Supplementary Information – Part I Management's Discussion and Analysis</b>	11-18
<b>Basic Financial Statements</b>	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	21
A-2 Statement of Activities	22
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	24
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	25
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Proprietary Funds:	
B-4 Statement of Net Position	27
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	28
B-6 Statement of Cash Flows	29
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
<b>Notes to the Financial Statements</b>	31-58
<b>Required Supplementary Information – Part II</b>	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	61-70
C1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	N/A
C-1b Community Block Development Grant (CDBG) – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	71
<b>Notes to Required Supplementary Information - Part II</b>	
C-3 Budget-to-GAAP Reconciliation	72

## OUTLINE OF ACFR

<b>Required Supplementary Information – Part III</b>	<u>Page</u>
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1/L-2 Schedule of the District's Proportionate Share of the Net Pension Liability	73
L-2 Schedule of District Contributions	74
M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
M-1 Schedule of Changes in the State's Total OPEB Liability and Related Ratios (TPAF and PERS)	75
<b>Notes to Required Supplementary Information - Part III</b>	76
 <b>Other Supplementary Information</b>	
D. School Level Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures, Special Revenue Fund – Budgetary Basis	79-82
E-2 Schedule(s) of Preschool Education Aid Expenditures – Preschool-All Programs- Budgetary Basis	83
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues and Expenditures	N/A
F-2a Schedule of Project Revenues and Expenditures-Project Detail	N/A
G. Proprietary Funds	
Enterprise Fund:	
G-1 Combining Statement of Net Position	See B-4
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	See B-5
G-3 Combining Statement of Cash Flows	See B-6
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A

## OUTLINE OF ACFR

<b>Other Supplementary Information -(Continued)</b>		<u>Page</u>
H.	Fiduciary Funds:	
H-1	Combining Statement of Fiduciary Net Position	N/A
H-2	Combining Statement of Changes in Fiduciary Net Position	N/A
I.	Long-Term Debt:	
I-1	Schedule of Serial Bonds	N/A
I-2	Schedule of Obligations Under Capital Leases	N/A
I-3	Budgetary Comparison Schedule Debt Service Fund	N/A

## STATISTICAL SECTION (Unaudited)

		<u>Page</u>
<b>Introduction to the Statistical Section</b>		
<b>Financial Trends</b>		
J-1	Net Position by Component	89
J-2	Changes in Net Position	90-91
J-3	Fund Balances - Governmental Funds	92
J-4	Changes in Fund Balances - Governmental Funds	93
J-5	General Fund Other Local Revenue by Source	94
<b>Revenue Capacity</b>		
J-6	Assessed Value and Estimated Actual Value of Taxable Property	95
J-7	Direct and Overlapping Property Tax Rates	96
J-8	Principal Property Taxpayers	97
J-9	Property Tax Levies and Collections	98
<b>Debt Capacity</b>		
J-10	Ratios of Outstanding Debt by Type	99
J-11	Ratios of General Bonded Debt Outstanding	100
J-12	Direct and Overlapping Governmental Activities Debt	101
J-13	Legal Debt Margin Information	102
<b>Demographic and Economic Information</b>		
J-14	Demographic and Economic Statistics	103
J-15	Principal Employers	104
<b>Operating Information</b>		
J-16	Full-time Equivalent District Employees by Function/Program	105
J-17	Operating Statistics	106
J-18	School Building Information	107
J-19	Schedule of Required Maintenance Expenditures by School Facility	108
J-20	Insurance Schedule	109

## OUTLINE OF ACFR

### SINGLE AUDIT SECTION

Page

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	111-112
K-2	Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by <i>Uniform Guidance</i> and <i>New Jersey OMB's circular 15-08</i>	113-115
K-3	Schedule of Expenditures of Federal Awards, Schedule A	116
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	117
K-5	Notes to the Schedules of Awards and Financial Assistance	118-119
K-6	Schedule of Findings and Questioned Costs	120-127
K-7	Summary Schedule of Prior Audit Findings	128

## **Introductory Section**



# MONTAGUE TOWNSHIP SCHOOL DISTRICT



475 Route 206  
Montague, New Jersey 07827  
V: 973-293-7131 / F: 973-293-3391  
[www.montagueschool.org](http://www.montagueschool.org)

**James Andriac**  
*Acting Superintendent/  
Principal*

**Priscilla Ortiz**  
*Vice Principal*

**Michael Bussow**  
*School Business Administrator/  
Board Secretary*

**Danielle Conklin**  
*CSA Confidential Secretary*

**Melinda Bellis**  
*Administrative Assistant to the BA*

**Dana Berry**  
*Admin. Assistant to the Board Secretary*

November 30, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Montague Township School District (the "District") for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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



October 25, 2023

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

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

The District provides a full range of educational services appropriate for students beginning at Pre-K age 3 through 12<sup>th</sup> grade. High School students attend High Point Regional High School, Sussex County Technical School and Kittatinny Regional High School.

- 2) MAJOR INITIATIVES: The Montague Township School District maintains focus on updating the curriculum and materials, new instructional practices, and expanding new programming for access to all students. The District provides ongoing professional development for all staff through PLC meetings 20 times a year. The implementation of the Long- Term Strategic Plan that was created by the Board of Education that identified priorities and guidance for the next 5 years will be updated to ensure that all priorities are funded and focused on student needs.

The Budget Priorities are safety and security, continuity of programs, instructional technology, operations, and facilities management.

- 3) ECONOMIC CONDITION AND OUTLOOK: During the 2022-2023 school year, increase in expenses, coupled with cuts in State Aid had an impact on our school district. Increases included Instruction, Special Education, Operations/Transportation, Benefits, Capital Projects, and Charter School Tuition.
- 4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

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

- 6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
- 7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA "). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule, contained in the District's ACFR.

The District is a member of the New Jersey Schools Insurance Group ("NJSIG") which is a risk-sharing public entity risk management pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance coverage for their respective members. Additional information on the pool is included in Note 9 to the Basic Financial Statements.

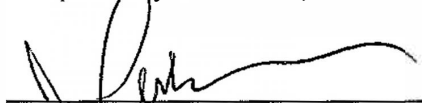
November 30, 2023

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

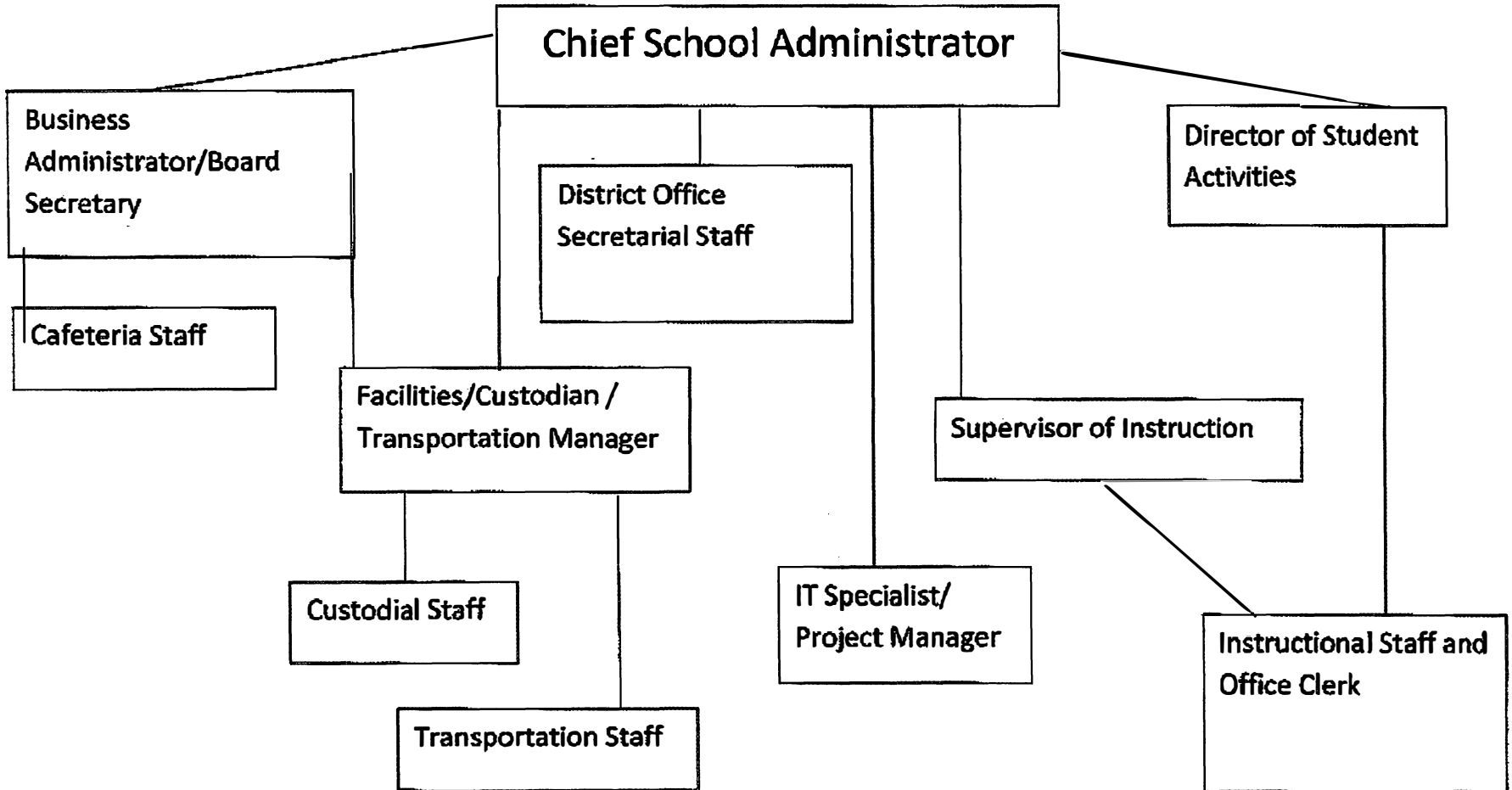
9) OTHER INFORMATION: Independent Audit-State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Company was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit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

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

Respectfully submitted,

  
\_\_\_\_\_  
JAMES ANDRIAC  
Acting Superintendent/Principal  
\_\_\_\_\_  
MICHAEL BUSSOW  
Business Administrator/Board Secretary

MONTAGUE TOWNSHIP SCHOOL DISTRICT  
ORGANIZATIONAL CHART



**MONTAGUE TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**June 30, 2023**

**Members of the Board of Education**

**Term Expires**

Barbara Holstein, President	April 2024
Michael Zernhelt, Vice President	April 2025
Paul Brislin	April 2026
Jamie Johnson	April 2026
Andree Campbell	April 2026
Tasha DeGeorge	April 2025
Christopher Bell	April 2024

**Other Officials**

James Andriac, Acting Superintendent

Carl Morelli, School Business Administrator

Rene Metzgar, Treasurer of School Monies

**MONTAGUE TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**ATTORNEY**

**Cleary Giacobbe Alfieri Jacobs, LLC**

169 Ramapo Valley Road  
Upper Level  
Oakland, New Jersey 07436

Comegno Law Group, PC  
521 Pleasant Valley Avenue  
Moorestown, New Jersey 08057

**AUDIT FIRM**

**Ardito & Company LLC**

1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825

**OFFICIAL DEPOSITORIES**

**Provident Bank**

266 Clove Road  
Montague, New Jersey 07827

**State of New Jersey Cash Management Fund**

Division of Investment  
Department of the Treasury  
Trenton, New Jersey 08625

## **Financial Section**

# **Independent Auditor's Report**





# **ARDITO & COMPANY LLC**

1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825-1192  
908-996-4711 Fax: 908-996-4688  
e-mail: [anthony@arditoandcompany.com](mailto:anthony@arditoandcompany.com)

Anthony Ardito, CPA, RMA, CMFO, PSA

## **Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
Montague Township School District  
County of Sussex  
Montague, New Jersey 07827

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

#### ***Opinions***

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montague Township School District Board of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montague Township School District Board of Education, as of June 30, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Montague Township School District Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Management is responsible for the preparation and fair presentation of these 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.

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### ***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 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 and ***Government Auditing Standards*** and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post-employment benefit trend information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, 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 Montague Township School District Board of Education's basic financial statements. The combining and individual non-

-Continued-

major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major 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 the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* the District's internal control over financial reporting and compliance.

*Ardito & Company LLC*

**ARDITO & COMPANY LLC**

Frenchtown, New Jersey  
November 30, 2023

*Anthony Ardito*

Anthony Ardito  
Certified Public Accountant  
Licensed Public School Accountant No. 2369

**ARDITO & COMPANY LLC**

Frenchtown, New Jersey  
November 30, 2023

**Required Supplementary Information - Part I**

**Management's Discussion and Analysis**

MONTAGUE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

The discussion and analysis of Montague Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2023 are as follows:

- ◆ In total, Net Position increased \$488,171 which represents a 7.9% increase from 2022.
- ◆ General revenues accounted for \$6,704,313 in revenue or 57.7% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,923,054 or 42.3% of total revenues of \$11,627,367.
- ◆ Total assets of governmental activities decreased by \$351,505, as cash and cash equivalents decreased by \$1,198,898, receivables increased by \$652,050, and capital assets increased by \$171,012.
- ◆ The School District had \$11,139,196 in expenses; only \$4,923,054 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$6,704,313 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$10,778,574 in revenues and \$10,582,207 in expenditures. The General Fund's surplus balance increased \$114,336 over 2022, which compares favorably to the budgeted decrease of \$815,374.

**Using this Generally Accepted Accounting Principals Report (GAAP)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Montague Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Montague Township School District, the General Fund is by far the most significant fund.

MONTAGUE TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2023?” The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s Net Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Nonfinancial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
  
- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

**Reporting the School District’s Most Significant Funds**

**Fund Financial Statements**

The analysis of the School District’s major funds begins on page 24. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Governmental Funds**

The School District's activities are reported in governmental funds, which 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, which 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 School 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 Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's Net Position for 2023 compared to 2022.

**Table 1**  
**Net Position**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current and Other Assets	\$ 5,499,506	\$ 6,022,023
Capital Assets	<u>2,950,844</u>	<u>2,779,832</u>
<b>Total Assets</b>	<u>8,450,350</u>	<u>8,801,855</u>
<b>Deferred Outflows of Resources</b>	<u>658,754</u>	<u>467,471</u>
<b>Liabilities</b>		
Long-Term Liabilities	1,218,602	758,149
Other Liabilities	<u>945,380</u>	<u>1,696,323</u>
<b>Total Liabilities</b>	<u>2,163,982</u>	<u>2,454,472</u>
<b>Deferred Inflows of Resources</b>	<u>296,011</u>	<u>653,914</u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	2,950,844	2,779,832
Restricted	3,747,363	3,821,153
Unrestricted	<u>(49,096)</u>	<u>(440,045)</u>
<b>Total Net Position</b>	<u>\$ 6,649,111</u>	<u>\$ 6,160,940</u>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

Total assets of governmental activities decreased by \$351,505, as cash and cash equivalents decreased by \$1,198,898, receivables increased by \$652,050, and capital assets increased by \$171,012.

The cash decrease was due to spending on federal grants in advance of reimbursement and capital improvement spending. Receivables increased due to spending on federal grants in advance of federal reimbursement, and capital assets increased due to capital additions, net of depreciation.

Table 2 shows the changes in Net Position from fiscal year 2022.

**Table 2**  
**Changes in Net Position**

	<u>2023</u>	<u>2022</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 65,388	\$ 22,808
Operating Grants and Contributions	4,857,666	3,056,646
General Revenues:		
Property Taxes	6,572,446	6,572,446
Federal & State Aid Not Restricted	-	1,710,952
Investment Earnings	4,738	792
Other	<u>127,129</u>	<u>93,779</u>
<b>Total Revenues</b>	<u>11,627,367</u>	<u>11,457,423</u>
<b>Program Expenses</b>		
Instruction	4,841,397	4,271,064
Support Services:		
Tuition	1,662,914	1,601,410
Pupils and Instructional Staff	1,612,918	1,491,084
General Administration, School Administration, Business	1,233,103	1,088,146
Operations and Maintenance of Facilities	866,745	747,643
Pupil Transportation	745,945	662,371
Charter Schools	-	525,399
Other	993	-
Business-Type Activities	<u>175,181</u>	<u>318,054</u>
<b>Total Expenses</b>	<u>11,139,196</u>	<u>10,705,171</u>
Increase in Net Position	<u>\$ 488,171</u>	<u>\$ 752,252</u>



MONTAGUE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District in the form of ballot questions. Property taxes made up 56.5% percent of revenues for governmental activities for the MontagueTownship School District for the fiscal year 2023.

Instruction comprises 43.5% of district expenses. Support services expenses make up 55.0% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$ 4,841,397	\$ 1,794,275	\$ 4,271,064	\$ 2,461,306
Support Services:				
Tuition	1,662,914	1,662,914	1,601,410	1,468,887
Pupils and Instructional Staff	1,612,918	521,555	1,491,084	1,091,976
General Admin., School Admin., Business	1,233,103	748,943	1,088,146	1,011,148
Operation and Maintenance of Facilities	866,745	683,915	747,643	747,643
Pupil Transportation	745,945	745,945	662,371	335,473
Charter Schools	-	-	525,399	525,399
Other Fiscal Charges	993	993	-	-
Business-Type Activities	<u>175,181</u>	<u>57,602</u>	<u>318,054</u>	<u>16,115</u>
<b>Total Expenses</b>	<u>\$ 11,139,196</u>	<u>\$ 6,216,142</u>	<u>\$ 10,705,171</u>	<u>\$ 7,657,947</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

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

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District and unallocated depreciation.

The dependence upon tax revenues is apparent. Over 37.1% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 71.3%. The community, as a whole, is the primary support for the Montague Township School District.

**The School District's Funds**

Information about the School District's major funds starts on page 24. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$12,199,115 and expenditures of \$12,008,313. The General Fund's surplus balance increased \$114,336 over 2022, which compares favorably to the budgeted decrease of \$815,374.

**General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the fiscal 2023 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$9,381,252, \$973,891 over original budgeted estimates of \$8,407,361. This difference was due primarily to an increases in miscellaneous revenues, non-budgeted maintenance of equity aid, extraordinary aid, and impact aid.

General fund revenues exceeded expenditures by \$84,370. Again this surplus compares to a budgeted deficit of \$815,374, which was due to the budgeted use of surplus needed to balance the 2022-2023 budget. The budgeted deficit was reduced due to non-budgeted state and federal aid revenue as noted above.

Overall general fund balance (budget basis) was \$4,760,621, and amounts ear-marked and reserved for future purposes were \$3,832,655, creating a surplus in unreserved statutory fund balance of \$927,966. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Capital Assets**

At the end of the fiscal year 2023, the School District had \$2,948,870 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2023 balances compared to 2022.

**Table 4**  
**Capital Assets (Net of Depreciation) at June 30,**

	<u>2023</u>	<u>2022</u>
Land	\$ 45,148	\$ 45,148
Land Improvements	107,739	115,111
Buildings and Improvements	2,208,389	1,978,886
Machinery and Equipment	<u>587,594</u>	<u>637,080</u>
Totals	<u>\$ 2,948,870</u>	<u>\$ 2,776,225</u>

Overall capital assets increased \$172,645 from fiscal year 2022 to fiscal year 2023. The increase in capital assets was due to capital additions, net of depreciation expense for the year.

Capital improvements of \$414,187 were purchased during fiscal year 2023 and are mainly costs associated with the roof restoration and other instructional and non-instructional equipment.

**Debt Administration**

At June 30, 2023, the School District had \$98,939 as outstanding long term debt. Of this amount, \$98,939 is for compensated absences.

At June 30, 2023, the School District's overall legal debt margin was \$12,309,188 and the unvoted debt margin was the same.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**For the Future**

The Montague Township School District is in very good financial condition presently. A major concern is the increased reliance on local property taxes with future possible decreases in state funding.

In conclusion, the Montague Township School District has committed itself to financial excellence 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 challenge of the future.

**Contacting the School 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. If you have questions about this report or need additional information contact the School Business Administrator/Board Secretary at Montague Township School District, 475 Route 206, Montague, NJ 07827.

## **Basic Financial Statements**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The statement of net assets 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.

## MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

## STATEMENT OF NET POSITION

June 30, 2023

	GOVERNMENTAL BUSINESS-TYPE		
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	TOTAL
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,219,591	\$ 53,393	\$ 4,272,984
Receivables, Net	1,186,855	15,336	1,202,191
Interfund Receivables	24,331		24,331
Inventory			
Capital Assets, Net (Note 4):	2,948,870	1,974	2,950,844
<b>Total Assets</b>	<u>8,379,647</u>	<u>70,703</u>	<u>8,450,350</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows	658,754		658,754
<b>LIABILITIES</b>			
Accounts Payable	327,031		327,031
Interfund Payables		24,331	24,331
Payroll Deductions and Withholdings Payable	204,473		204,473
Unemployment Compensation Claims Payable	373		373
Payable to Federal Government	5,632		5,632
Unearned Revenue	383,540		383,540
Net Pension Liability (Note 8)	1,119,663		1,119,663
Noncurrent Liabilities (Note 5):			
Due Beyond One Year	98,939		98,939
<b>Total Liabilities</b>	<u>2,139,651</u>	<u>24,331</u>	<u>2,163,982</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows	296,011		296,011
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	2,948,870	1,974	2,950,844
Restricted for:			
Capital Reserve Account	2,134,167		2,134,167
Maintenance Reserve Account	240,013		240,013
Other Purposes	1,373,183		1,373,183
Unrestricted	(93,494)	44,398	(49,096)
<b>Total Net Position</b>	<u>\$ 6,602,739</u>	<u>\$ 46,372</u>	<u>\$ 6,649,111</u>

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	PROGRAM REVENUES				NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Governmental Activities:							
Instruction:							
Regular	\$ 4,136,078	\$ 61	\$ 2,542,585		\$ (1,593,432)		\$ (1,593,432)
Special Education	673,423	18	504,458		(168,947)		(168,947)
Other Special Instruction	31,896	-	-		(31,896)		(31,896)
Support Services:							
Tuition	1,662,914	-	-		(1,662,914)		(1,662,914)
Student & Instruction Related Services	1,612,918	18	1,091,345		(521,555)		(521,555)
School Administrative Services	398,633	10	291,163		(107,460)		(107,460)
General and Business Admin. Services	834,470	7	192,980		(641,483)		(641,483)
Plant Operations and Maintenance	866,745	6	182,824		(683,915)		(683,915)
Pupil Transportation	745,945	-	-		(745,945)		(745,945)
Charter Schools	-	-	-		-		-
Other Fiscal Charges	993	-	-		(993)		(993)
<b>Total Governmental Activities</b>	<b>10,964,015</b>	<b>120</b>	<b>4,805,355</b>	<b>-</b>	<b>(6,158,540)</b>	<b>-</b>	<b>(6,158,540)</b>
Business-Type Activities:							
Food Service	149,612	17,604	52,311			\$ (79,697)	(79,697)
After-Care	25,569	47,664	-			22,095	22,095
<b>Total Business-Type Activities</b>	<b>175,181</b>	<b>65,268</b>	<b>52,311</b>	<b>-</b>	<b>-</b>	<b>(57,602)</b>	<b>(57,602)</b>
<b>Total Primary Government</b>	<b>\$ 11,139,196</b>	<b>\$ 65,388</b>	<b>\$ 4,857,666</b>	<b>\$</b>	<b>(6,158,540)</b>	<b>\$ (57,602)</b>	<b>\$ (6,216,142)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 6,572,446		\$ 6,572,446
Investment Earnings					4,705	33	4,738
Miscellaneous Income					127,129		127,129
Transfers					(82,031)	82,031	
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>					<b>6,622,249</b>	<b>82,064</b>	<b>6,704,313</b>
<b>Change in Net Position</b>					<b>463,709</b>	<b>24,462</b>	<b>488,171</b>
Net Position—Beginning					6,139,030	21,910	6,160,940
Prior Period Adjustment							-
Net Position—Beginning (As Restated)					6,139,030	21,910	6,160,940
<b>Net Position—Ending</b>					<b>\$ 6,602,739</b>	<b>\$ 46,372</b>	<b>\$ 6,649,111</b>

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



## **FUND FINANCIAL STATEMENTS**

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,217,501	\$ 2,090	\$ 4,219,591
Interfund Receivables	178,954	904	179,858
Receivables from Other Governments	689,746	497,109	1,186,855
<b>TOTAL ASSETS</b>	<u>\$ 5,086,201</u>	<u>\$ 500,103</u>	<u>\$ 5,586,304</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 295,156	\$ 31,875	\$ 327,031
Payroll Deductions and Withholdings Payable	204,473		204,473
Unemployment Compensation Claims Payable	373		373
Payable to Federal Government		5,632	5,632
Interfund Payable	904	154,623	155,527
Deferred Revenue	685	382,855	383,540
<b>Total Liabilities</b>	<u>501,591</u>	<u>574,985</u>	<u>1,076,576</u>
<b>Fund Balances:</b>			
<u>Restricted for:</u>			
Capital Reserve Account	\$ 2,134,167		\$ 2,134,167
Maintenance Reserve	240,013		240,013
Impact Aid Reserve	361,794		361,794
Excess Surplus	345,832		345,832
Excess Surplus - Designated for			
Subsequent Year's Expenditures	460,000		460,000
Student Activities		1,415	1,415
Scholarships		675	675
<u>Assigned to:</u>			
General Fund - Designated for			
Subsequent Year's Expenditures	203,467		203,467
Year-End Encumbrances	87,382		87,382
<u>Unassigned:</u>			
General Fund	751,955		751,955
Special Revenue Fund		(76,972)	(76,972)
<b>Total Fund Balances</b>	<u>4,584,610</u>	<u>(74,882)</u>	<u>4,509,728</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 5,086,201</u>	<u>\$ 500,103</u>	<u>\$ 5,586,304</u>

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,606,418 and the accumulated depreciation is \$3,657,548.	\$2,948,870
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date are not current financial resources and therefore are not reported in the fund statements. (See Note 8)	658,754
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns are not reported as liabilities in the fund statements. (See Note 8)	(296,011)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)	(1,119,663)
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 5)	(98,939)
Net Position of governmental activities	<u>\$ 6,602,739</u>

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>REVENUES</b>			
<b>Local sources:</b>			
Local Tax Levy	\$ 6,572,446		\$ 6,572,446
Tuition	120		120
Miscellaneous	131,026	\$ 808	131,834
<b>Total - Local Sources</b>	<u>6,703,592</u>	<u>808</u>	<u>6,704,400</u>
<b>State Sources</b>	3,909,383	878,531	4,787,914
<b>Federal Sources</b>	165,599	541,202	706,801
<b>Total Revenues</b>	<u>10,778,574</u>	<u>1,420,541</u>	<u>12,199,115</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Regular Instruction	2,090,602	813,936	2,904,538
Special Education Instruction	340,400		340,400
Other Special Instruction	31,896		31,896
School Sponsored Other Instruction			-
Support services and undistributed costs:			
Tuition	1,662,914		1,662,914
Student and Instruction Related Services	687,453	586,887	1,274,340
School Administrative Services	206,757		206,757
Other Administrative Services	711,125		711,125
Plant Operations and Maintenance	693,033		693,033
Pupil Transportation	745,945		745,945
Unallocated Benefits	2,586,602		2,586,602
Transfer to Charter School	406,629		406,629
Capital Outlay	418,851	25,283	444,134
<b>Total Expenditures</b>	<u>10,582,207</u>	<u>1,426,106</u>	<u>12,008,313</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>196,367</u>	<u>(5,565)</u>	<u>190,802</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers - Food Service Fund	(82,031)		(82,031)
<b>Total Other Financing Sources and Uses</b>	<u>(82,031)</u>	<u>-</u>	<u>(82,031)</u>
Net Change in Fund Balances	114,336	(5,565)	108,771
Fund Balance—July 1	4,470,274	(69,317)	4,400,957
Prior Period Adjustment	-	-	-
Fund Balance—July 1 (Restated)	<u>4,470,274</u>	<u>(69,317)</u>	<u>4,400,957</u>
<b>Fund Balance—June 30</b>	<u>\$ 4,584,610</u>	<u>\$ (74,882)</u>	<u>\$ 4,509,728</u>

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** **\$ 108,771**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	\$ (241,542)	
Capital Outlays	<u>414,187</u>	172,645

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption.

This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.

198,894

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This amount is the amount by which the current year's compensated absence payments exceed the current year's amount earned.

(16,601)

**Change in Net Position of Governmental Activities** **\$ 463,709**

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION  
 PROPRIETARY FUNDS

June 30, 2023

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b><u>Food Service</u></b>	<b><u>After- Care</u></b>	<b><u>Totals</u></b>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and Cash Equivalents	\$ 1,093	\$ 52,300	\$ 53,393
Accounts Receivable	15,336		15,336
<b>Total Current Assets</b>	<b>16,429</b>	<b>52,300</b>	<b>68,729</b>
<b>Noncurrent Assets:</b>			
Furniture, Machinery and Equipment	22,205		22,205
Less Accumulated Depreciation	(20,231)		(20,231)
<b>Total Noncurrent Assets</b>	<b>1,974</b>		<b>1,974</b>
<b>Total Assets</b>	<b>18,403</b>	<b>52,300</b>	<b>70,703</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts Payable	-		-
Interfund Payable	20,595	3,736	24,331
<b>Total Current Liabilities</b>	<b>20,595</b>	<b>3,736</b>	<b>24,331</b>
<b>Total Liabilities</b>	<b>20,595</b>	<b>3,736</b>	<b>24,331</b>
<b>NET POSITION</b>			
Invested in Capital Assets Net of Related Debt	1,974		1,974
Unrestricted	(4,166)	48,564	44,398
<b>Total Net Position</b>	<b>\$ (2,192)</b>	<b>\$ 48,564</b>	<b>\$ 46,372</b>

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
 FOR THE YEAR ENDED JUNE 30, 2023

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service</b>	<b>After- Care</b>	<b>Total Enterprise</b>
<b>Operating Revenues:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 17,604	-	\$ 17,604
Program Fees		\$ 47,664	47,664
Miscellaneous	15	18	33
<b>Total Operating Revenues</b>	<u>17,619</u>	<u>47,682</u>	<u>65,301</u>
<b>Operating Expenses:</b>			
Cost of Sales - Reimbursable Programs	120,551		120,551
Salaries	27,381	25,569	52,950
Miscellaneous	47		47
Depreciation	1,633		1,633
<b>Total Operating Expenses</b>	<u>149,612</u>	<u>25,569</u>	<u>175,181</u>
Operating Income (Loss)	<u>(131,993)</u>	<u>22,113</u>	<u>(109,880)</u>
<b>Nonoperating Revenues (Expenses):</b>			
State Sources:			
State School Lunch Program	1,859		1,859
Federal Sources:			
National School Lunch Program	39,117		39,117
School Breakfast Program	11,335		11,335
<b>Total Nonoperating Revenues (Expenses)</b>	<u>52,311</u>		<u>52,311</u>
Income (Loss) Before Contributions and Transfers	(79,682)	22,113	(57,569)
Transfers In (Out)	82,031	-	82,031
Change in Net Position	<u>2,349</u>	<u>22,113</u>	<u>24,462</u>
Total Net Position—Beginning	(4,541)	26,451	21,910
<b>Total Net Position—Ending</b>	<u>\$ (2,192)</u>	<u>\$ 48,564</u>	<u>\$ 46,372</u>

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

## MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended June 30, 2023

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b><u>Food Service</u></b>	<b><u>After- Care</u></b>	<b><u>Total Enterprise</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 19,513	\$ 47,682	\$ 67,195
Payments to Employees	(36,732)	(21,833)	(58,565)
Payments to Suppliers	(178,394)	-	(178,394)
<b>Net Cash Provided by (used for) Operating Activities</b>	<b>(195,613)</b>	<b>25,849</b>	<b>(169,764)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from Other Funds	82,031		82,031
State Sources	1,689		1,689
Federal Sources	60,623		60,623
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>	<b>144,343</b>	<b>-</b>	<b>144,343</b>
	(51,270)	25,849	(25,421)
Net Increase (Decrease) in Cash and Cash Equivalents			
Balances—Beginning of Year	52,363	26,451	78,814
<b>Balances—End of Year</b>	<b>\$ 1,093</b>	<b>\$ 52,300</b>	<b>\$ 53,393</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (131,993)	\$ 22,113	\$ (109,880)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	1,633		1,633
Federal Commodities	-		-
(Increase) Decrease in Accounts Receivable, Net	1,894		1,894
(Increase) Decrease in Inventories	-		-
Increase (Decrease) in Accounts Payable	(67,147)	3,736	(63,411)
<b>Total Adjustments</b>	<b>(63,620)</b>	<b>3,736</b>	<b>(59,884)</b>
<b>Net Cash Provided by (used for) Operating Activities</b>	<b>\$ (195,613)</b>	<b>\$ 25,849</b>	<b>\$ (169,764)</b>

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

# **Notes to Financial Statements**



MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

The financial statements of the Board of Education (Board) of the Montague Township School District (District) have been prepared in conformity with 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.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provided for the most significant change in financial reporting in over twenty years and included a phased-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, GASB 84, Fiduciary Activities, GASB 87, Leases, GASB 96, Subscriptions and GASB 98, Annual Comprehensive Financial Report. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2022.

**A. Reporting Entity:**

The Montague Township School District is a Type II district located in the County of Sussex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Montague Township School District had an approximate enrollment at June 30, 2023, of 309 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting:**

The School 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.

**Basis of Presentation**

*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, 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 activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School 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 requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general 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 School District.

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

**GOVERNMENTAL FUNDS**

The District reports the following governmental funds:

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting (Continued):**

**GOVERNMENTAL FUNDS (Continued)**

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 the proceeds of specific revenue from State and Federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (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.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**PROPRIETARY FUNDS**

The District reports the following proprietary fund:

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

**After-Care Fund** - This Enterprise Fund accounts for the financial transactions related to providing care to students after the school day.

**Basis of Accounting**

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting (Continued):**

*District-wide, Proprietary, Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the 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 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 is 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 transaction 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 capital leases are reported as other financing sources.

**C. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office and approved by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11. In addition, transfers are also covered by changes in N.J.A.C.6A:23A-2.3, that can require approval through the state department. All budget amendments/transfers must be approved by School Board resolution and are subject to transfer limitations and approvals per P.L. 2004, c.73(S-1701).

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year). 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.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Budgets/Budgetary Control (Continued):**

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal 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 revenue recognition of the last state aid payment 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 recognize encumbrances as expenditures. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**D. 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 reservations 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 deferred 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.

**E. Assets, Liabilities and Equity:**

**Cash and Cash Equivalents:**

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

**Interfund Transactions:**

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Inventories:**

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

**Allowance for Uncollectible Accounts:**

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

**Capital Assets:**

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market 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. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

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

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

**Compensated Absences:**

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

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

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

For the District-wide Statements, the entire compensated absence liability is reported in accordance with GAAP. For the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Deferred Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes that were received as of June 30, 2023, but which were levied to finance subsequent fiscal years operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

**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. Bonds are recognized as a liability on the fund financial statements when due.

**Net Position:**

Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt 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 are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Fund Balance Reserves:**

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances, capital reserve, and maintenance reserve.

**Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the Statement of Net 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.

In addition to liabilities, the statement of net 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 periods and so will not be recognized as an inflow of resources (revenue) until that time.

**Operating Revenues and Expenses:**

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

**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 that 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. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Extraordinary and Special Items:**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the 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 generally accepted accounting principles 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.



MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 2: CASH AND CASH EQUIVALENTS**

**Deposits:**

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2023, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents (A-1)
Checking	<u>\$ 4,272,984</u> <u>\$ 4,272,984</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$4,272,984 and the bank balance was \$4,689,433. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$4,439,433 was covered by collateral pool.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2023, consisted of intergovernmental accounts. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Government-Wide Financial <u>Statements</u>
State Aid	\$ 689,746	\$ 690,282
Federal Aid	497,109	511,909
Local	-	-
Gross Receivable	<u>\$ 1,186,855</u>	<u>\$ 1,202,191</u>
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	<u><u>\$ 1,186,855</u></u>	<u><u>\$ 1,202,191</u></u>

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
<b>Governmental Activities:</b>				
<i>Capital Assets Being Depreciated:</i>				
Land	\$ 45,148			\$ 45,148
Site Improvements	242,906			242,906
Buildings and Building Improvements	4,847,259	\$ 373,759		5,221,018
Machinery and Equipment	1,056,918	40,428		1,097,346
Total at Historical Cost	<u>6,192,231</u>	<u>414,187</u>	-	<u>6,606,418</u>
Less Accumulated Depreciation for:				
Site Improvements	(127,795)	(7,372)		(135,167)
Building and Improvements	(2,868,373)	(144,256)		(3,012,629)
Equipment	(419,838)	(89,914)		(509,752)
Total Accumulated Depreciation	<u>(3,416,006)</u>	<u>(241,542)</u>		<u>(3,657,548)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>2,776,225</u>	<u>172,645</u>		<u>2,948,870</u>
<b>Government Activity Capital Assets, Net</b>	<u><b>\$ 2,776,225</b></u>	<u><b>\$ 172,645</b></u>		<u><b>\$ 2,948,870</b></u>

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 4: CAPITAL ASSETS (Continued)**

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 160,143
Special Education	16,908
Student Related Services	22,463
School & General Administration	11,835
Plant and Operations	<u>30,193</u>
Total	<u>\$ 241,542</u>

**NOTE 5: LONG-TERM OBLIGATIONS**

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

**A. Long-Term Obligation Activity:**

Changes in long-term obligations for the year ended June 30, 2023, are as follows:

	Balance <u>7/1/2022</u>	Increases	Decreases	Balance <u>6/30/2023</u>	Amounts Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Other Liabilities:					
Compensated Absences Payable	\$ 82,338	\$ 16,601		\$ 98,939	
<b>Total Other Liabilities</b>	<u>\$ 82,338</u>	<u>\$ 16,601</u>		<u>\$ 98,939</u>	<u>-</u>

Compensated absences have been liquidated in the General Fund.

The district had no bonds outstanding as of June, 30, 2023.

The district had no bonds authorized but not issued as of June, 30, 2023.

The district had no capital lease liabilities as of June, 30, 2023.

**NOTE 6: DEFERRED COMPENSATION**

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

- AXA Equitable Financial
- Lincoln Life Financial

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 7: COMPENSATED ABSENCES**

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

The District support staff are granted sick leave in varying amounts under the District's contracted personnel policies. Sick leave benefits provide for ordinary sick pay and provide for payment based upon predetermined rates and allowable days and upon retirement in the state pension system.

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

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

**NOTE 8: 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 Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

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, 100% of 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.

Summary of Significant Accounting Policies - 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 Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the 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.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is 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 district (employer) does 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 district. However, the state's portion of the net pension liability that was associated with the district was \$10,819,113 as measured on June 30, 2022 and \$10,191,089 measured on June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$291,173 and revenue of \$291,173 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2023 is based upon changes in the collective net pension liability with a measurement period of June 30, 2021 through June 30, 2022. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2021 and June 30, 2022.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$6,356,228,800	\$4,996,491,160
Collective deferred inflows of resources	\$27,175,330,929	\$19,532,696,776
Collective net pension liability (Nonemployer-State of New Jersey)	\$48,075,188,642	\$51,594,415,806
State's portion of the net pension liability that was associated with the district	\$10,191,089	\$10,819,113
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.021198%	0.020970%

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

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-5.65%
Investment Rate of Return	7.00%

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

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

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.

Long-Term Expected Rate of Return- In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US devel.markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalentents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

*Discount rate* - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

*Sensitivity of the State's net pension liability to changes in the discount rate* - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2022, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
State's Collective Net Pension Liability	\$ 60,591,896,759	\$ 51,676,587,303	\$ 44,166,559,329

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fiduciary net position as of June 30, 2022 was \$24,640,530,532.

*Amortization of Deferred Outflows and Inflows of Resources* - Amount reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in the state's pension expense as follows:

	<u>Year Ended June 30:</u>
2023	(\$2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	<u>(1,687,721,983)</u>
Total	<u>(\$14,678,515,482)</u>

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2022 are as follows:

Service cost	\$1,195,044,307
Interest on total pension liability	5,146,965,905
Member contributions	(907,326,471)
Administrative expense	12,635,916
Expected investment return net of investment expenses	(1,983,153,368)
Pension expense related to specific liabilities of individual employers	(395,540)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	200,689,404
Changes in assumptions	(2,396,459,882)
Difference between projected and actual investment earnings on pension plan investments	<u>122,761,073</u>
Total pension expense	<u>\$1,390,761,344</u>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions 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.

*Summary of Significant Accounting Policies* - 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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

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

At June 30, 2023, the District reported a liability of \$1,119,663 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The total pension liability for the June 30, 2021 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2022 and 2021. At June 30, 2022, the District's proportion was 0.00742% which was an increase of 0.00171% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense/(benefit) of (\$11,773). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,081	\$ 7,126
Changes of assumptions	3,469	167,658
Net difference between projected and actual earnings on pension plan investments	46,342	-
Changes in proportion and differences between District contributions and proportionate share of contributions	507,302	121,227
District contributions subsequent to the measurement date	93,560	
Total	<u>\$ 658,754</u>	<u>\$ 296,011</u>



MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

\$93,560 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, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability measured as of June 30, 2023. 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 June 30:</u>
2023	\$221,172
2024	112,680
2025	54,952
2026	(119,884)
2027	<u>263</u>
Total	<u>\$269,183</u>

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$1,164,738,169	\$1,660,772,008
Collective deferred inflows of resources	8,339,123,762	3,236,303,935
Collective net pension liability (Non State - Local Group)	\$11,846,496,875	\$15,091,376,611
District's portion of net pension liability	\$675,811	\$1,119,663
District's proportion %	0.00570473%	0.00741922%

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

Inflation:	
Price	2.75%
Wage	3.25%

Salary Increases: 2.75%-6.55% based on years of service

Investment Rate of Return: 7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US devel.markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

*Discount rate* - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based 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 District's proportionate share of the net pension liability to changes in the discount rate* - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 1,438,439	\$1,119,663	\$ 848,372

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2022 are as follows:

Service cost	\$7,836
Interest on total Pension liability	31,427
Benefit Changes	91
Member contributions	(6,535)
Administrative expens	140
Expected investment return net of investment expenses	(20,979)
Pension expense related to specific liabilities of individual employers	(113)
Recognition (amortization) of deferred inflows/outflows:	0
Differences between expected and actual experience	372
Changes in assumptions	(23,492)
Difference between projected and actual investment earnings on pension plan investments	(522)
Total pension expense	<u>(\$11,773)</u>

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

**Defined Contribution Retirement Plan (DCRP)** - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

**PERS and TPAF Vesting and Benefit Provisions** - The vesting and benefit provisions for 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 eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

**Significant Legislation** - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

During the fiscal year ended June 30, 2023, the State of New Jersey did contribute \$1,147,330 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$220,026 during the year ended June 30, 2023, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 9: POST-RETIREMENT BENEFITS**

**Plan description and benefits provided**

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPES plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The State Health 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.

**State Health Benefit State Retired Employees Plan:**

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion.

The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 9: POST-RETIREMENT BENEFITS-(Continued)**

**Total Nonemployer OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the board of education.

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

*Actuarial assumptions and other imputes.* The June 30, 2023 GASB 75 reporting is based on a measurement date of June 30, 2022. The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS and PFRS. 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:

Total Nonemployer OPEB Liability:	\$	50,646,462,966						
		<table style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 33%; text-align: center; border-bottom: 1px solid black;">TPAF/ABP</td> <td style="width: 33%; text-align: center; border-bottom: 1px solid black;">PERS</td> <td style="width: 33%; text-align: center; border-bottom: 1px solid black;">PFRS</td> </tr> <tr> <td style="text-align: center;">2.75% to 4.25%</td> <td style="text-align: center;">2.75% to 6.55%</td> <td style="text-align: center;">3.25% to 16.25%</td> </tr> </table>	TPAF/ABP	PERS	PFRS	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%
TPAF/ABP	PERS	PFRS						
2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%						
		Based on service years						

**(a) Health Care Trend Assumptions**

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

**(b) Discount Rate**

The discount rate used to measure the total OPEB liability wa 3.54%. 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.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 9: POST-RETIREMENT BENEFITS-(Continued)**

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.

Changes in the Total OPEB Liability reported by the State of New Jersey

	<u>Total OPEB Liability</u>
<b>The State's Total OPEB Liability Balance at 6/30/2021</b>	<b>\$60,007,650,970</b>
<u>Changes for the year:</u>	
Service Cost	2,770,618,025
Interest on the Total OPEB Liability	1,342,187,139
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Gross Benefit Payments	(1,329,476,059)
Contributions from Members	<u>42,650,252</u>
Net changes	<u>(9,361,188,004)</u>
<b>The State's Total OPEB Liability Balance at 6/30/2022</b>	<b><u>\$50,646,462,966</u></b>

**The State's total OPEB liability attributable to the District: \$10,703,989**

Benefit Changes: The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022 and other changes.

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1- percentage-point higher than the current discount rate:

	June 30, 2022		
	At 1% Decrease <u>2.54%</u>	At Discount Rate <u>3.54%</u>	At 1% Increase <u>4.54%</u>
Total OPEB Liability (School Retirees)	\$59,529,589,697	\$50,646,462,966	\$43,527,080,995

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 9: POST-RETIREMENT BENEFITS-(Continued)**

	June 30, 2021		
	At 1% Decrease	At Discount Rate	At 1% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Total OPEB Liability (School Retirees)	\$71,879,745,555	\$60,007,650,970	\$50,659,089,138

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the State, as well as what the State’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage- point higher than the current healthcare cost trend rates:

	June 30, 2022		
	Health Care Cost		
	<u>At 1% Decrease</u>	<u>Trend Rate</u>	<u>At 1% Increase</u>
Total OPEB Liability (School Retirees)	\$41,862,397,291	\$50,646,462,966	\$62,184,866,635

	June 30, 2021		
	Health Care Cost		
	<u>At 1% Decrease</u>	<u>Trend Rate</u>	<u>At 1% Increase</u>
Total OPEB Liability (School Retirees)	\$48,576,388,417	\$60,007,650,970	\$75,358,991,782

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

For the year ended June 30, 2022, the board of education recognized OPEB expense and related revenue of \$166,797 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee’s OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$9,042,402,619	\$15,462,950,679
Changes of assumptions or other inputs	<u>8,765,620,577</u>	<u>17,237,289,230</u>
Total	<u>\$17,808,023,196</u>	<u>\$32,700,239,909</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee’s OPEB will be recognized in OPEB expense as follows:



MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 9: POST-RETIREMENT BENEFITS-(Continued)**

Year ended June 30:	
2023	(\$2,517,151,602)
2024	(\$2,517,151,602)
2025	(\$2,517,151,602)
2026	(\$2,175,449,761)
2027	(1,243,951,140)
Thereafter	<u>(3,921,361,006)</u>
	<u>(\$14,892,216,713)</u>

**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.

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Cash Ending Balance</u>
2022-2023	\$0	\$0	\$135	\$238
2021-2022	\$17,018	\$0	\$20,929	\$373
2020-2021	\$16,000	\$0	\$12,089	\$4,284

**NOTE 11: CONTINGENT LIABILITIES**

**GRANT PROGRAMS**

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

**LITIGATION**

The Board is not involved in claims or lawsuits incidental to its operations.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 12: FUND BALANCE APPROPRIATED**

General Fund (Exhibit B-1) - Of the \$4,584,610 General Fund fund balance at June 30, 2023, \$87,382 is reserved for encumbrances; \$805,832 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7, as amended (\$460,000 of the excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024), \$2,134,167 has been reserved in the Capital Reserve Account; \$240,013 has been reserved in the Maintenance Reserve Account; \$361,794 has been reserved in the Impact Aid Reserve Account; \$203,467 is reserved for subsequent year's expenditures has been anticipated as revenue for the year ended June 30, 2024; and, \$751,955 is unreserved and undesignated.

**NOTE 13: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Township of Montague Board of Education by inclusion in the FY 2000-2001 budget 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 or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(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 July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 2,293,297
Interest Earned	870
Budgeted Withdrawal	<u>(160,000)</u>
Ending Balance, June 30, 2023	<u>\$ 2,134,167</u>

**NOTE 14: MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by the School District Board of Education in fiscal year 2020, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning balance July 1, 2022	\$ 239,982
Interest Earned	<u>31</u>
Ending balance June 30, 2023	<u>\$ 240,013</u>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 15: IMPACT AID RESERVE ACCOUNT**

As permitted by P.L.2015, c.46 which amended N.J.S.A. 18A:7F-41 a federal impact reserve account was established by the District Board of Education on June 24, 2015 by board resolution for the amount of federal impact aid funds – general fund – received during the current fiscal year for use as general fund expenditures in subsequent fiscal years. The federal impact aid – general reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the Impact Aid Reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance July 1, 2022	\$ 361,794
Ending balance June 30, 2023	<u>\$ 361,794</u>

**NOTE 16: CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$345,832.

**NOTE 17: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2023:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 178,954	\$ 904
Special Revenue Fund	904	154,623
Enterprise Fund	-	24,331
Total	<u>\$ 179,858</u>	<u>\$ 179,858</u>

The special revenue fund owes the general fund for cash advances related to expenditures of federal grants in advance of federal reimbursement. The enterprise fund owes the general fund for cash advances to provide for enterprise fund liquidity.

**NOTE 18: DEFICIT FUND BALANCES**

The District has a deficit fund balance (Exhibit B-1) of \$74,882 in the Special Revenue Fund as of June 30, 2023, as reported in the fund statements (modified accrual basis). P.L.2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No.33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficits do not alone indicate that the district is facing financial difficulties.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 19: TAX ABATEMENTS**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 6,572,446		\$ 6,572,446	\$ 6,572,446	-
Tuition from Individuals	-		-	120	\$ 120
Miscellaneous	820		820	131,026	130,206
<b>Total - Local Sources</b>	<b>6,573,266</b>		<b>6,573,266</b>	<b>6,703,592</b>	<b>130,326</b>
<b>State Sources:</b>					
Equalization Aid	1,149,643		1,149,643	1,149,643	
Transportation Aid	326,614		326,614	326,614	
Special Education Aid	257,132		257,132	257,132	
Security Aid	100,706		100,706	100,706	
Maintenance of Equity Aid				590,562	590,562
Other State Aid				87,404	87,404
TPAF Pension (On-Behalf - Non-Budgeted)				908,210	908,210
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				238,585	238,585
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				535	535
TPAF Social Security (Reimbursed - Non-Budgeted)				220,026	220,026
<b>Total State Sources</b>	<b>1,834,095</b>		<b>1,834,095</b>	<b>3,879,417</b>	<b>2,045,322</b>
<b>Federal Sources:</b>					
Impact Aid				165,599	165,599
<b>Total Federal Sources</b>				<b>165,599</b>	<b>165,599</b>
<b>TOTAL REVENUES</b>	<b>8,407,361</b>		<b>8,407,361</b>	<b>10,748,608</b>	<b>2,341,247</b>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Kindergarten - Salaries of Teachers	207,750	3,123	210,873	207,583	3,290
Grades 1-5 - Salaries of Teachers	950,710	(38,149)	912,561	911,975	586
Grades 6-8 - Salaries of Teachers	580,340	(88,924)	491,416	490,626	790
<b>Regular Programs - Home Instruction:</b>					
Purchased Professional-Educational Services	5,000	11,989	16,989	16,989	-
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	214,510	30,217	244,727	242,791	1,936
Unused Sick/Vacation Payment to Terminated/Retired Staff	17,216	(10,000)	7,216	5,085	2,131
Purchased Professional-Educational Services	-	1,506	1,506	1,506	-
Purchased Technical Services	38,000	63,236	101,236	50,651	50,585
Other Purchased Servies (400-500 Series)	2,000	-	2,000	-	2,000
General Supplies	177,769	(84,606)	93,163	82,145	11,018
Textbooks	125,000	6,135	131,135	65,666	65,469
Other Objects	27,750	(7,963)	19,787	15,585	4,202
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>2,346,045</b>	<b>(113,436)</b>	<b>2,232,609</b>	<b>2,090,602</b>	<b>142,007</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room:</b>					
Salaries of Teachers	260,500	79,900	340,400	340,400	-
General Supplies	2,545	(2,545)	-	-	-
<b>Total Resource Room</b>	<b>263,045</b>	<b>77,355</b>	<b>340,400</b>	<b>340,400</b>	<b>-</b>



MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>263,045</b>	<b>77,355</b>	<b>340,400</b>	<b>340,400</b>	<b>-</b>
<b>Other Instructional Programs - Instruction:</b>					
Salaries	15,000	(5,852)	9,148	9,000	148
Purchased Services (Series 300-500)	-	200	200	200	-
General Supplies	57	2,485	2,542	48	2,494
<b>Total Other Instructional Programs - Instruction</b>	<b>15,057</b>	<b>(3,167)</b>	<b>11,890</b>	<b>9,248</b>	<b>2,642</b>
<b>Athletic Programs- Instruction</b>					
Other Salaries for Instruction	3,500	(3,500)	-	-	-
Purchased Services (Series 300-500)	-	973	973	973	-
General Supplies	593	824	1,417	1,417	-
Other Objects	110	20,148	20,258	20,258	-
<b>Athletic Programs - Instruction</b>	<b>4,203</b>	<b>18,445</b>	<b>22,648</b>	<b>22,648</b>	<b>-</b>
<b>TOTAL INSTRUCTION</b>	<b>2,628,350</b>	<b>(20,803)</b>	<b>2,607,547</b>	<b>2,462,898</b>	<b>144,649</b>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>UNDISTRIBUTED EXPENDITURES</b>					
<b>Instruction:</b>					
Tuition to Other LEAs Within the State - Regular	1,103,388	-	1,103,388	1,010,178	93,210
Tuition to Other LEAs Within the Stat - Special	314,115	192,581	506,696	506,367	329
Tuition to County Voc. District - Regular	105,522	-	105,522	99,204	6,318
Tuition to Private Schools for the Disabled - Within State	222,320	(173,845)	48,475	47,165	1,310
Tuition - State Facilites	43,860	(43,860)	-	-	-
<b>Total Instruction</b>	<b>1,789,205</b>	<b>(25,124)</b>	<b>1,764,081</b>	<b>1,662,914</b>	<b>101,167</b>
<b>Attendance and Social Work:</b>					
Salaries	-	1,023	1,023	-	1,023
<b>Total Attendance and Social Work</b>	<b>-</b>	<b>1,023</b>	<b>1,023</b>	<b>-</b>	<b>1,023</b>
<b>Health Services:</b>					
Salaries	69,000	4,700	73,700	73,700	-
Purchased Professional and Technical Services	2,500	243	2,743	2,743	-
Other Purchased Services (400-500 Series)	-	7,565	7,565	7,565	-
Supplies and Materials	10,500	(1,767)	8,733	8,733	-
Other Objects	-	25	25	25	-
<b>Total Health Services</b>	<b>82,000</b>	<b>10,766</b>	<b>92,766</b>	<b>92,766</b>	<b>-</b>
<b>Other Supp. Services Students-Related Services:</b>					
Salaries	67,000	(2,680)	64,320	64,320	-
Purchased Professional - Educational Services	55,000	(38,345)	16,655	16,655	-
Supplies and Materials	5,700	(3,279)	2,421	2,421	-
Other Objects	-	130	130	130	-
<b>Total Other Supp. Services Students-Related Services</b>	<b>127,700</b>	<b>(44,174)</b>	<b>83,526</b>	<b>83,526</b>	<b>-</b>
<b>Guidance:</b>					
Salaries of Other Professional Staff	122,500	2,651	125,151	124,634	517
General Supplies	1,500	2,249	3,749	3,582	167
<b>Total Guidance</b>	<b>124,000</b>	<b>4,900</b>	<b>128,900</b>	<b>128,216</b>	<b>684</b>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Other Supp. Services Students-Special:</b>					
Salaries of Other Professional Staff	268,500	(111,574)	156,926	155,692	1,234
Salaries of Secretarial and Clerical Assistants	13,800	(4,600)	9,200	9,200	-
Purchased Professional - Educational Services	2,450	154,307	156,757	107,309	49,448
Other Purchased Services (400-500 Series)	22,500	4,162	26,662	16,671	9,991
Supplies and Materials	1,857	9,105	10,962	8,077	2,885
Other Objects	200	20	220	220	-
<b>Total Other Supp. Services Students-Special</b>	<b>309,307</b>	<b>51,420</b>	<b>360,727</b>	<b>297,169</b>	<b>63,558</b>
<b>Improvement of Instruction Services:</b>					
Salaries of Other Professional Staff	72,460	(72,400)	60	-	60
Salaries of Secretarial and Clerical Assistants	-	19,285	19,285	18,000	1,285
Purchased Professional - Educational Services	4,000	(2,500)	1,500	525	975
Other Purchased Prof. and Tech. Svcs.	-	14,098	14,098	-	14,098
Other Purchased Prof. Svcs (400-500 Series)	2,400	-	2,400	470	1,930
Supplies and Materials	6,000	(2,000)	4,000	-	4,000
<b>Total Improvement of Instruction Services</b>	<b>84,860</b>	<b>(43,517)</b>	<b>41,343</b>	<b>18,995</b>	<b>22,348</b>
<b>Educational Media Services/School Library:</b>					
Salaries	55,200	-	55,200	55,200	-
Salaries of Technology Coordinators	21,000	(21,000)	-	-	-
Purchased Professional and Technical Services	-	4,991	4,991	2,713	2,278
Supplies and Materials	6,548	2,130	8,678	8,671	7
Other Objects	831	-	831	-	831
<b>Total Educational Media Services/School Library</b>	<b>83,579</b>	<b>(13,879)</b>	<b>69,700</b>	<b>66,584</b>	<b>3,116</b>
<b>Instructional Staff Training Services:</b>					
Other Purchased Professional and Technical Services	2,000	8,000	10,000	-	10,000
Other Purchased Services (400-500 series)	6,500	(5,197)	1,303	-	1,303
Other Objects	-	197	197	197	-
<b>Total Instructional Staff Training Services</b>	<b>8,500</b>	<b>3,000</b>	<b>11,500</b>	<b>197</b>	<b>11,303</b>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Supp. Services - General Administration:</b>					
Salaries	107,944	44,526	152,470	152,470	-
Legal Services	20,000	89,751	109,751	109,751	-
Audit Fees	29,900	9,100	39,000	39,000	-
Architectural/Engineering Services	-	7,500	7,500	7,500	-
Communications/Telephone	20,000	4,524	24,524	24,524	-
BOE Other Purchased Services	2,500	(2,500)	-	-	-
Other Purchased Services (400-500)	4,000	15,856	19,856	19,856	-
General Supplies	1,000	(382)	618	618	-
Miscellaneous Expenses	1,000	13,972	14,972	14,972	-
BOE Membership Dues and Fees	5,000	654	5,654	5,654	-
<b>Total Supp. Services - General Administration</b>	<b>191,344</b>	<b>183,001</b>	<b>374,345</b>	<b>374,345</b>	<b>-</b>
<b>Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	102,960	68,707	171,667	171,667	-
Salaries of Other Professional Staff	15,050	12,040	27,090	27,090	-
Supplies and Materials	-	7,150	7,150	7,150	-
Other Objects	-	850	850	850	-
<b>Total Support Services - School Administration</b>	<b>118,010</b>	<b>88,747</b>	<b>206,757</b>	<b>206,757</b>	<b>-</b>
<b>Central Services:</b>					
Salaries	142,000	34,241	176,241	176,241	-
Purchased Technical Services	-	14,675	14,675	14,675	-
Other Purchased Services (400-500)	1,000	(598)	402	402	-
Supplies and Materials	1,000	1,666	2,666	2,666	-
Other Objects	1,000	2,190	3,190	2,893	297
<b>Total Central Services</b>	<b>145,000</b>	<b>52,174</b>	<b>197,174</b>	<b>196,877</b>	<b>297</b>
<b>Admin Info Tech.:</b>					
Salaries	54,600	48,260	102,860	102,860	-
Purchased Professional Services	-	9,578	9,578	9,578	-
Purchased Technical Services	4,500	20,154	24,654	24,654	-
Other Purchased Services (400-500 Series)	1,000	(1,000)	-	-	-
Supplies and Materials	1,500	(714)	786	786	-
Other Objects	-	2,025	2,025	2,025	-
<b>Total Admin. Info. Tech.</b>	<b>61,600</b>	<b>78,303</b>	<b>139,903</b>	<b>139,903</b>	<b>-</b>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Required Maintenance for School Facilities:</b>					
Salaries	205,716	(52,888)	152,828	152,828	-
Cleaning, Repair and Maintenance Services	308,020	(179,249)	128,771	123,149	5,622
Lead Testing of Drinking Water	-	1,164	1,164	1,164	-
Supplies and Materials	7,000	8,192	15,192	15,095	97
Other Objects	-	14,199	14,199	14,199	-
<b>Total Required Maintenance for School Facilities</b>	<b>520,736</b>	<b>(208,582)</b>	<b>312,154</b>	<b>306,435</b>	<b>5,719</b>
<b>Other Operations and Maintenance of Plant:</b>					
Salaries	59,640	40,266	99,906	99,906	-
Purchased Professional and Technical Services	5,000	12,221	17,221	10,294	6,927
Cleaning, Repair and Maintenance Services	57,036	(39,211)	17,825	17,825	-
Other Purchased Property Services	8,800	11,404	20,204	20,204	-
Insurance	42,840	(6,729)	36,111	36,111	-
Miscellaneous Purchased Services	1,500	3,333	4,833	4,833	-
General Supplies	17,500	18,689	36,189	36,189	-
Energy (Natural Gas)	55,600	10,619	66,219	66,219	-
Energy (Electricity)	27,000	17,690	44,690	44,690	-
Energy (Gasoline)	1,500	(1,500)	-	-	-
Other Objects	500	1,170	1,670	1,670	-
<b>Total Other Operations and Maintenance of Plant</b>	<b>276,916</b>	<b>67,952</b>	<b>344,868</b>	<b>337,941</b>	<b>6,927</b>
<b>Care and Upkeep of Grounds:</b>					
Cleaning, Repair and Maintenance Services	1,000	11,048	12,048	7,752	4,296
General Supplies	2,000	(1,336)	664	664	-
Other Objects	-	500	500	500	-
<b>Total Care and Upkeep of Grounds</b>	<b>3,000</b>	<b>10,212</b>	<b>13,212</b>	<b>8,916</b>	<b>4,296</b>
<b>Security:</b>					
Cleaning, Repair and Maintenance Services	4,750	32,587	37,337	37,337	-
General Supplies	1,000	1,404	2,404	2,404	-
<b>Total Security</b>	<b>5,750</b>	<b>33,991</b>	<b>39,741</b>	<b>39,741</b>	<b>-</b>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Student Transportation Services</b>					
Sal. For Pup.Trans. (Bet. Home and School) - Regular	212,040	13,332	225,372	211,051	14,321
Sal. For Pup.Trans. (Bet. Home and School) - Special	14,810	2,323	17,133	17,133	-
Cleaning, Repair and Maintenance Services	10,000	37,608	47,608	47,608	-
Rental Payments- School Buses	-	14,181	14,181	14,181	-
Contr Serv. - Aid in Lieu Payments - Non-public School	18,000	-	18,000	18,000	-
Contr Serv. - Aid in Lieu Payments - Choice School	2,000	6,000	8,000	8,000	-
Contracted Services (Other than Bet.Home & School)-Vendors	500	4,500	5,000	200	4,800
Contracted Services (Between Home and School)-Joint Agrmts.	7,000	-	7,000	5,000	2,000
Contracted Services (Spec. Ed. Students)-ESCs & CTSAs	268,400	44,752	313,152	291,004	22,148
Misc Purchased Services - Transportation	7,000	21,666	28,666	28,666	-
General Supplies	56,097	49,641	105,738	97,472	8,266
Transportation Supplies	5,000	(2,500)	2,500	-	2,500
Other Objects	1,000	6,879	7,879	7,630	249
<b>Total Student Transportation Services</b>	<b>601,847</b>	<b>198,382</b>	<b>800,229</b>	<b>745,945</b>	<b>54,284</b>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	57,630	78,267	135,897	135,897	-
Other Retirement Contributions-Regular	66,507	31,479	97,986	97,986	-
Unemployment Compensation	14,300	6,264	20,564	20,564	-
Workmen's Compensation	30,000	5,925	35,925	35,925	-
Health Benefits	999,379	(78,920)	920,459	919,533	926
Tuition Reimbursement	18,500	(9,159)	9,341	9,341	-
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>1,186,316</b>	<b>33,856</b>	<b>1,220,172</b>	<b>1,219,246</b>	<b>926</b>
On-behalf TPAF pension Contrib. (non-budgeted)			-	908,210	(908,210)
On-behalf TPAF PRM Contrib. (non-budgeted)			-	238,585	(238,585)
On-behalf TPAF pension LTD Ins. (non-budgeted)			-	535	(535)
Reimbursed TPAF Social Security Contrib. (non-budgeted)			-	220,026	(220,026)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>1,367,356</b>	<b>(1,367,356)</b>
<b>TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS</b>	<b>1,186,316</b>	<b>33,856</b>	<b>1,220,172</b>	<b>2,586,602</b>	<b>(1,366,430)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>5,719,670</b>	<b>482,451</b>	<b>6,202,121</b>	<b>7,293,829</b>	<b>(1,091,708)</b>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>8,348,020</b>	<b>461,648</b>	<b>8,809,668</b>	<b>9,756,727</b>	<b>(947,059)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment:</b>					
Grades 1-5	15,000	-	15,000	304	14,696
Grades 6-8	15,000	-	15,000	-	15,000
Undistributed Expenditures - General Admin.		12,860	12,860	12,860	-
Undistributed Expenditures - Custodial Services		7,593	7,593	2,285	5,308
<b>Total Equipment</b>	<b>30,000</b>	<b>20,453</b>	<b>50,453</b>	<b>15,449</b>	<b>35,004</b>
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	10,000	71,500	81,500	28,650	52,850
Construction Services	150,000	225,000	375,000	373,759	1,241
Debt Service Assessment SDA Funding	993	-	993	993	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>160,993</b>	<b>296,500</b>	<b>457,493</b>	<b>403,402</b>	<b>54,091</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>190,993</b>	<b>316,953</b>	<b>507,946</b>	<b>418,851</b>	<b>89,095</b>
Transfer to Charter School	617,407	-	617,407	406,629	210,778
<b>TOTAL EXPENDITURES</b>	<b>9,156,420</b>	<b>778,601</b>	<b>9,935,021</b>	<b>10,582,207</b>	<b>(647,186)</b>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<b>(749,059)</b>	<b>(778,601)</b>	<b>(1,527,660)</b>	<b>166,401</b>	<b>1,694,061</b>
<b>Other Financing Sources:</b>					
<b>Operating Transfer In/(Out):</b>					
Transfer to Food Service Fund		(142,031)	(142,031)	(82,031)	60,000
Transfer to Special Revenue Fund - Preschool	(66,315)	64,908	(1,407)	-	1,407
<b>Total Other Financing Sources:</b>	<b>(66,315)</b>	<b>(77,123)</b>	<b>(143,438)</b>	<b>(82,031)</b>	<b>61,407</b>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(815,374)	(855,724)	(1,671,098)	84,370	1,755,468
<b>Fund Balance, July 1</b>	4,676,251		4,676,251	4,676,251	-
<b>Prior Period Adjustment</b>					
<b>Fund Balance, July 1 (Restated)</b>	4,676,251		4,676,251	4,676,251	
<b>Fund Balance, June 30</b>	\$ 3,860,877	\$ (855,724)	\$ 3,005,153	\$ 4,760,621	\$ 1,755,468
<b>Recapitulation:</b>					
<b>Restricted for:</b>					
Capital Reserve				\$ 2,134,167	
Maintenance Reserve				240,013	
Impact Aid Reserve				361,794	
Excess Surplus				345,832	
Excess Surplus - Designated for Subsequent Year's Expenditures				460,000	
<b>Assigned to:</b>					
Designated for Subsequent Year's Expenditures				203,467	
Year-End Encumbrances				87,382	
<b>Unassigned:</b>					
Unrestricted Fund Balance				927,966	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				\$ 4,760,621	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Current Year Last State Aid Payment not recognized on GAAP basis until received				(176,011)	
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>				\$ 4,584,610	



MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Local Sources	\$ 150	\$ 801	\$ 951	\$ 808	\$ (143)
State Sources	1,105,526	86,767	1,192,293	884,390	(307,903)
Federal Sources	331,202	284,808	616,010	598,062	(17,948)
<b>Total Revenues</b>	<b>1,436,878</b>	<b>372,376</b>	<b>1,809,254</b>	<b>1,483,260</b>	<b>(325,994)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	394,750	16,366	411,116	407,298	3,818
Other Salaries for Instruction	135,171	66,760	201,931	149,487	52,444
Other Purchased Services	15,000	10,636	25,636	11,284	14,352
Tuition	103,797	-	103,797	103,797	-
General Supplies	92,766	93,461	186,227	138,614	47,613
Other Objects	1,456	2,000	3,456	3,456	-
<b>Total Instruction</b>	<b>742,940</b>	<b>189,223</b>	<b>932,163</b>	<b>813,936</b>	<b>118,227</b>
<b>Support Services</b>					
Salaries of Supervisors of Instruction	35,690	(28,378)	7,312	-	7,312
Other Salaries	109,687	5,776	115,463	110,945	4,518
Salaries of Master Teachers	69,000	42,073	111,073	111,073	-
Personal Services - Employee Benefits	125,997	211,630	337,627	257,520	80,107
Purchased Prof. -Ed. Services	12,000	(11,820)	180	180	-
Purchased Prof. Tech Svcs.	44,391	7,759	52,150	52,150	-
Cleaning, Repair & Maintenance Svcs.	2,000	12,706	14,706	12,706	2,000
Rentals	2,000	(2,000)	-	-	-
Contr Serv-Trans. (Bet. Home & School)	100,000	(48,073)	51,927	-	51,927
Contr Serv-Trans. (Field Trips)	1,000	1,170	2,170	1,895	275
Travel	1,000	(1,000)	-	-	-
Other Purchased Services	85,545	(58,745)	26,800	26,800	-
Supplies & Materials	4,987	9,493	14,480	13,104	1,376
Scholarships	-	293	293	150	143
Student Activities	150	214	364	364	-
<b>Total Support Services</b>	<b>593,447</b>	<b>141,098</b>	<b>734,545</b>	<b>586,887</b>	<b>147,658</b>
<b>Facilities Acq. &amp; Construction Services:</b>					
Buildings	-	60,197	60,197	60,197	-
Instructional Equipment	98,491	(36,104)	62,387	2,278	60,109
Non-Instructional Equipment	2,000	17,668	19,668	19,668	-
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>100,491</b>	<b>41,761</b>	<b>142,252</b>	<b>82,143</b>	<b>60,109</b>
<b>Total Expenditures</b>	<b>1,436,878</b>	<b>372,082</b>	<b>1,808,960</b>	<b>1,482,966</b>	<b>325,994</b>
<b>Total Outflows</b>	<b>\$ 1,436,878</b>	<b>\$ 372,082</b>	<b>\$ 1,808,960</b>	<b>\$ 1,482,966</b>	<b>\$ 325,994</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>					
		294	294	294	
<b>Fund Balance Beginning</b>				1,796	
<b>Prior Period Adjustment *</b>				-	
<b>Fund Balance Beginning (Restated)</b>				1,796	
<b>Fund Balance Ending</b>				<u>\$ 2,090</u>	
<b>Recapitulation:</b>					
Restricted:					
Scholarships				\$ 675	
Student Activities				1,415	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				<u>\$ 2,090</u>	
<b>Reconciliation to Governmental Funds Statement (GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				(76,972)	
<b>Fund Balance per Governmental Funds (GAAP Basis)</b>				<u>\$ (74,882)</u>	

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-3

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended June 30, 2023

**Explanation of Differences between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures**

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 10,748,608	\$ 1,483,260
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	N/A	-
Current Year	N/A	(56,860)
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	205,977	71,113
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(176,011)</u>	<u>(76,972)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 10,778,574</u>	<u>\$ 1,420,541</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 10,582,207	\$ 1,482,966
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	N/A	-
Current Year	N/A	(56,860)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	<u>N/A</u>	<u>N/A</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 10,582,207</u>	<u>\$ 1,426,106</u>

**Montague Township School District**  
**Required Supplementary Information - Part III**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Last Ten Fiscal Years**

**Exhibit L-3**

**Teachers' Pension and Annuity Fund (TPAF)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 10,819,113	\$ 10,191,089	\$ 13,469,004	\$ 12,379,938	\$ 14,381,889	\$ 15,525,075	\$ 19,695,671	\$ 15,547,829	\$ 13,506,987	\$ 12,956,210
Total	\$ 10,819,113	\$ 10,191,089	\$ 13,469,004	\$ 12,379,938	\$ 14,381,889	\$ 15,525,075	\$ 19,695,671	\$ 15,547,829	\$ 13,506,987	\$ 12,956,210
District's covered employee payroll	\$ 2,875,834	\$ 2,344,738	\$ 2,210,348	\$ 2,105,058	\$ 2,357,053	\$ 2,246,299	\$ 2,402,629	\$ 2,531,867	\$ 2,495,206	N/A
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

\*\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

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

**Exhibit L-1**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.00742%	0.00570%	0.00634%	0.00373%	0.00382%	0.00508%	0.00653%	0.00631%	0.00536%	0.00538%
District's proportionate share of the net pension liability (asset)	\$ 1,119,663	\$ 675,811	\$ 1,033,808	\$ 672,165	\$ 753,076	\$ 1,183,629	\$ 1,935,046	\$ 1,415,814	\$ 1,003,219	\$ 1,028,245
District's covered employee payroll	\$ 892,627	\$ 489,963	\$ 404,016	\$ 391,536	\$ 244,698	\$ 274,429	\$ 358,746	\$ 432,817	\$ 397,514	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	125.43%	137.93%	255.88%	171.67%	307.76%	431.31%	539.39%	327.12%	252.37%	N/A
Plan fiduciary net position as a percentage of the total pension liability (Local)	62.91%	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%	52.08%	48.72%

**Montague Township School District  
Required Supplementary Information - Part III  
Schedule of District Contributions  
Last Ten Fiscal Years**

**Exhibit L-2**

**Teachers' Pension and Annuity Fund (TPAF)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 2,875,834	\$ 2,606,029	\$ 2,344,738	\$ 2,210,348	\$ 2,105,058	\$ 2,357,053	\$ 2,246,299	\$ 2,402,629	\$ 2,531,867	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 93,560	\$ 67,136	\$ 69,351	\$ 37,388	\$ 38,318	\$ 47,842	\$ 58,390	\$ 54,224	\$ 44,173	N/A
Contributions in relation to the contractually required contribution	<u>(93,560)</u>	<u>(67,136)</u>	<u>(69,351)</u>	<u>(37,388)</u>	<u>(38,318)</u>	<u>(47,842)</u>	<u>(58,390)</u>	<u>(54,224)</u>	<u>(44,173)</u>	<u>N/A</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered employee payroll	\$ 892,627	\$ 735,542	\$ 489,963	\$ 404,016	\$ 391,536	\$ 244,698	\$ 274,429	\$ 358,746	\$ 432,817	N/A
Contributions as a percentage of covered-employee payroll	10.48%	9.13%	14.15%	9.25%	9.79%	19.55%	21.28%	15.11%	10.21%	N/A

Montague Township School District  
Required Supplementary Information - Part III  
Schedule of Changes in the State's Total OPEB Liability and Related Ratios  
Last Ten Fiscal Years \*

Exhibit M-1

State Health Benefit Local Education Retired Employees Plan (TPAF and PERS)

<u>The State of New Jersey's Total OPEB Liability</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Service Cost	\$ 2,770,618,025	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319			
Interest	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792			
Change in Benefit Terms	-	(63,870,842)								
Differences Between Expected and Actual Experience	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	(5,002,065,740)					
Benefit Payments	(13,586,368,097)	59,202,105	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)			
Contributions from Members	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747			
Changes of Assumptions or other inputs	42,650,252	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521			
<b>Net change in total OPEB liability</b>	<b>(9,361,188,004)</b>	<b>(7,802,311,638)</b>	<b>26,080,881,563</b>	<b>(4,381,751,937)</b>	<b>(7,529,008,876)</b>	<b>(4,191,942,326)</b>	<b>10,982,132,360</b>			
<b>Total OPEB Liability - Beginning</b>	<b>\$ 60,007,650,970</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>	<b>\$ 46,849,651,824</b>			
<b>Total OPEB Liability - Ending</b>	<b>\$ 50,646,462,966</b>	<b>\$ 60,007,650,970</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>			
<b>The State of New Jersey's total OPEB liability **</b>	<b>\$ 50,646,462,966</b>	<b>\$ 60,007,650,970</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>			
<b>The State of New Jersey's OPEB liability attributable to the District **</b>	<b>\$ 10,703,989</b>	<b>\$ 12,744,115</b>	<b>\$ 15,251,920</b>	<b>\$ 10,120,597</b>	<b>\$ 11,481,516</b>	<b>\$ 12,938,784</b>	<b>\$ 14,027,673</b>			
<b>The District's proportionate share of the total OPEB liability</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>			
<b>District's covered employee payroll</b>	<b>\$ 3,768,461</b>	<b>\$ 3,341,571</b>	<b>\$ 2,834,701</b>	<b>\$ 2,614,364</b>	<b>\$ 2,496,594</b>	<b>\$ 2,601,751</b>	<b>\$ 2,520,728</b>			
<b>Total District's OPEB liability as a percentage of its covered-employee payroll</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>			
<b>District's contribution</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>			
<b>State's covered employee payroll ***</b>	<b>\$ 14,753,355,408</b>	<b>\$ 14,425,669,769</b>	<b>\$ 14,267,738,657</b>	<b>\$ 13,929,083,479</b>	<b>\$ 13,640,275,833</b>	<b>\$ 13,493,400,208</b>	<b>\$ 13,493,400,208</b>			
<b>Total State's OPEB liability as a percentage of its covered-employee payroll</b>	<b>343.29%</b>	<b>415.98%</b>	<b>475.27%</b>	<b>299.58%</b>	<b>338.05%</b>	<b>397.53%</b>	<b>428.59%</b>			

\*\* Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

\*\*\* Covered payroll for the Measurement Period ending June 30, 2021 and June 30, 2022 is based on the payroll on the June 30, 2020 and June 30, 2021 census data, respectively

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

MONTAGUE SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III  
Pension and OPEB Schedules

For the Fiscal Year Ended June 30, 2023

**Teachers' Pension and Annuity Fund (TPAF)**

**Pension Schedules**

*Changes of benefit terms.* The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

*Changes of assumptions.* 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.

**OPEB Schedules**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

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

**Pension Schedules**

*Changes of benefit terms.* The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

*Changes of assumptions.* 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.

**OPEB Schedules**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.



**SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2023

Page 1 of 4

	<b>Title I</b>	<b>Title II</b>	<b>Title IV</b>	<b>IDEA Basic</b>	<b>IDEA Preschool</b>	<b>CRRSA ESSER II</b>
<b>REVENUES</b>						
Local Sources						
State Sources						
Federal Sources	\$ 95,537	\$ 180	\$ 10,000	\$ 103,797	\$ 4,733	\$ 60,197
<b>TOTAL REVENUES</b>	<b>95,537</b>	<b>180</b>	<b>10,000</b>	<b>103,797</b>	<b>4,733</b>	<b>60,197</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	62,500					
Other Salaries for Instruction						
Other Purchased Services						
Tuition				103,797		
General Supplies	1,162		10,000		4,733	
Other Objects						
<b>Total Instruction</b>	<b>63,662</b>		<b>10,000</b>	<b>103,797</b>	<b>4,733</b>	
<b>Support Services:</b>						
Other Salaries						
Salaries of Master Teachers						
Personal Services - Employee Benefits	31,875					
Purchased Prof. -Ed. Services		180				
Purchased Prof. Tech Svcs.						
Cleaning, Repair & Maintenance Svcs.						
Contr Serv-Trans. (Bet. Home & School)						
Contr Serv-Trans. (Field Trips)						
Travel						
Other Purchased Services						
Supplies & Materials						
Scholarships						
Student Activities						
<b>Total Support Services</b>	<b>31,875</b>	<b>180</b>				
<b>Facilities Acq. &amp; Construction Services:</b>						
Buildings						60,197
Instructional Equipment						
Non-Instructional Equipment						
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,197</b>
<b>TOTAL EXPENDITURES</b>	<b>95,537</b>	<b>180</b>	<b>10,000</b>	<b>103,797</b>	<b>4,733</b>	<b>60,197</b>
<b>Total Outflows</b>	<b>\$ 95,537</b>	<b>\$ 180</b>	<b>\$ 10,000</b>	<b>\$ 103,797</b>	<b>\$ 4,733</b>	<b>\$ 60,197</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Beginning</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period Adjustment *</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Beginning (Restated)</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Ending</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>

**SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2023

Page 2 of 4

	<b>CRRSA Accel Learn</b>	<b>CRRSA Mental</b>	<b>ARP ESSER III</b>	<b>ARP Accel Learn</b>	<b>ARP Summer</b>	<b>ARP Beyond Sch. Day</b>
<b>REVENUES</b>						
Local Sources						
State Sources						
Federal Sources	\$ 27,079	\$ 32,491	\$ 176,879	\$ 5,712	\$ 19,411	\$ 19,165
<b>TOTAL REVENUES</b>	<b>27,079</b>	<b>32,491</b>	<b>176,879</b>	<b>5,712</b>	<b>19,411</b>	<b>19,165</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	20,000	10,250	25,267		19,411	12,000
Other Salaries for Instruction						
Other Purchased Services			10,336			
Tuition						
General Supplies	1,989		67,804	4,033		3,575
Other Objects	456	1,000				2,000
<b>Total Instruction</b>	<b>22,445</b>	<b>11,250</b>	<b>103,407</b>	<b>4,033</b>	<b>19,411</b>	<b>17,575</b>
<b>Support Services:</b>						
Other Salaries	13		5,464			
Salaries of Master Teachers						
Personal Services - Employee Benefits	1,531	918				
Purchased Prof. -Ed. Services						
Purchased Prof. Tech Svcs.	3,090	606	43,489	1,285		
Cleaning, Repair & Maintenance Svcs.			12,706			
Contr Serv-Trans. (Bet. Home & School)						
Contr Serv-Trans. (Field Trips)						
Travel						
Other Purchased Services		19,230	875			
Supplies & Materials		487	5,938	394		1,590
Scholarships						
Student Activities						
<b>Total Support Services</b>	<b>4,634</b>	<b>21,241</b>	<b>68,472</b>	<b>1,679</b>		<b>1,590</b>
<b>Facilities Acq. &amp; Construction Services:</b>						
Buildings						
Instructional Equipment						
Non-Instructional Equipment			5,000			
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>27,079</b>	<b>32,491</b>	<b>176,879</b>	<b>5,712</b>	<b>19,411</b>	<b>19,165</b>
<b>Total Outflows</b>	<b>\$ 27,079</b>	<b>\$ 32,491</b>	<b>\$ 176,879</b>	<b>\$ 5,712</b>	<b>\$ 19,411</b>	<b>\$ 19,165</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period Adjustment *</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Beginning (Restated)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Ending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2023

Page 3 of 4

	<b>ARP Mental</b>	<b>ARP IDEA Basic</b>	<b>ARP IDEA Preschool</b>	<b>REAP</b>	<b>Preschool Education State Aid</b>
<b>REVENUES</b>					
Local Sources					
State Sources					\$ 877,730
Federal Sources	\$ 6,444	\$ 12,622	\$ 1,073	\$ 22,742	
<b>TOTAL REVENUES</b>	<b>6,444</b>	<b>12,622</b>	<b>1,073</b>	<b>22,742</b>	<b>877,730</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers					257,870
Other Salaries for Instruction					149,487
Other Purchased Services	300				648
Tuition					
General Supplies		12,622	1,073	22,742	5,221
Other Objects					
<b>Total Instruction</b>	<b>300</b>	<b>12,622</b>	<b>1,073</b>	<b>22,742</b>	<b>413,226</b>
<b>Support Services:</b>					
Other Salaries					105,468
Salaries of Master Teachers					111,073
Personal Services - Employee Benefits					223,196
Purchased Prof. -Ed. Services					
Purchased Prof. Tech Svcs.	3,027				653
Cleaning, Repair & Maintenance Svcs.					
Contr Serv-Trans. (Bet. Home & School)					
Contr Serv-Trans. (Field Trips)					1,895
Travel					
Other Purchased Services	839				2,856
Supplies & Materials					4,695
Scholarships					
Student Activities					
<b>Total Support Services</b>	<b>3,866</b>				<b>449,836</b>
<b>Facilities Acq. &amp; Construction Services:</b>					
Buildings					
Instructional Equipment	2,278				
Non-Instructional Equipment					14,668
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>2,278</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,668</b>
<b>TOTAL EXPENDITURES</b>	<b>6,444</b>	<b>12,622</b>	<b>1,073</b>	<b>22,742</b>	<b>877,730</b>
<b>Total Outflows</b>	<b>\$ 6,444</b>	<b>\$ 12,622</b>	<b>\$ 1,073</b>	<b>\$ 22,742</b>	<b>\$ 877,730</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period Adjustment *</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Beginning (Restated)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Ending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2023

Page 4 of 4

	<b>NJ Climate Pilot</b>	<b>Dureler Scholarship</b>	<b>Student Activity</b>	<b>Totals</b>
<b>REVENUES</b>				
Local Sources		-	\$ 808	\$ 808
State Sources	\$ 6,660			884,390
Federal Sources				598,062
<b>TOTAL REVENUES</b>	<b>6,660</b>	<b>-</b>	<b>808</b>	<b>1,483,260</b>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Salaries of Teachers				407,298
Other Salaries for Instruction				149,487
Other Purchased Services				11,284
Tuition				103,797
General Supplies	3,660			138,614
Other Objects				3,456
<b>Total Instruction</b>	<b>3,660</b>			<b>813,936</b>
<b>Support Services:</b>				
Other Salaries				110,945
Salaries of Master Teachers				111,073
Personal Services - Employee Benefits				257,520
Purchased Prof. -Ed. Services				180
Purchased Prof. Tech Svcs.				52,150
Cleaning, Repair & Maintenance Svcs.				12,706
Contr Serv-Trans. (Bet. Home & School)				-
Contr Serv-Trans. (Field Trips)				1,895
Travel				-
Other Purchased Services	3,000			26,800
Supplies & Materials				13,104
Scholarships		150		150
Student Activities			364	364
<b>Total Support Services</b>	<b>3,000</b>	<b>150</b>	<b>364</b>	<b>586,887</b>
<b>Facilities Acq. &amp; Construction Services:</b>				
Buildings				60,197
Instructional Equipment				2,278
Non-Instructional Equipment				19,668
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,143</b>
<b>TOTAL EXPENDITURES</b>	<b>6,660</b>	<b>150</b>	<b>364</b>	<b>1,482,966</b>
<b>Total Outflows</b>	<b>\$ 6,660</b>	<b>\$ 150</b>	<b>\$ 364</b>	<b>\$ 1,482,966</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>				
	-	(150)	444	294
<b>Fund Balance Beginning</b>	-	825	971	1,796
<b>Prior Period Adjustment *</b>	-	-	-	-
<b>Fund Balance Beginning (Restated)</b>	-	825	971	1,796
<b>Fund Balance Ending</b>	-	675	\$ 1,415	\$ 2,090

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Preschool Education Aid Schedule of Expenditures**  
**Preschool - All Programs**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ 262,000	\$ (312)	\$ 261,688	\$ 257,870	\$ 3,818
Other Salaries for Instruction	135,171	66,760	201,931	149,487	52,444
Purchased Professional - Educational Services	15,000	-	15,000	648	14,352
General Supplies	65,000	(30,114)	34,886	5,221	29,665
<b>Total instruction</b>	<b>477,171</b>	<b>36,334</b>	<b>513,505</b>	<b>413,226</b>	<b>100,279</b>
<b>Support services:</b>					
Salaries of Supervisors of Instruction	35,690	(28,378)	7,312	-	7,312
Other Salaries	109,674	312	109,986	105,468	4,518
Salaries of Master Teachers	69,000	42,073	111,073	111,073	-
Personal Services - Employee Benefits	91,185	132,011	223,196	223,196	-
Purchased Prof. -Ed. Services	5,000	(5,000)	-	-	-
Purchased Prof. Tech Svcs.	40,500	(39,847)	653	653	-
Cleaning, Repair & Maintenance Svcs.	2,000	-	2,000	-	2,000
Rentals	2,000	(2,000)	-	-	-
Contr Serv-Trans. (Bet. Home & School)	100,000	(48,073)	51,927	-	51,927
Contr Serv-Trans. (Field Trips)	1,000	1,170	2,170	1,895	275
Travel	1,000	(1,000)	-	-	-
Other Purchased Services	66,315	(63,459)	2,856	2,856	-
Supplies & Materials	3,500	2,571	6,071	4,695	1,376
Other Objects	1,000	(1,000)	-	-	-
<b>Total support services</b>	<b>527,864</b>	<b>(10,620)</b>	<b>517,244</b>	<b>449,836</b>	<b>67,408</b>
<b>Facilities Acq. &amp; Construction:</b>					
Instructional Equipment	98,491	(38,382)	60,109	-	60,109
Non-Instructional Equipment	2,000	12,668	14,668	14,668	-
<b>Total Facilities Acq. &amp; Construction</b>	<b>100,491</b>	<b>(25,714)</b>	<b>74,777</b>	<b>14,668</b>	<b>60,109</b>
<b>Total Expenditures</b>	<b>\$ 1,105,526</b>	<b>-</b>	<b>\$ 1,105,526</b>	<b>\$ 877,730</b>	<b>227,796</b>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2022-2023 PreK Aid Allocation	\$ 769,720
Add: Actual ECPA Carryover June 30, 2022	415,913
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2022-2023 Budget	1,185,633
Less: 2022-2023 Budgeted PreK & ECPA (Including prior year budgeted carryover)	(1,105,526)
Available & Unbudgeted Funds as of June 30, 2023	80,107
Add: June 30, 2023 Unexpended PreK Aid	227,796
2022-2023 Actual Carryover - PreK Aid	307,903
2022-2023 PreK Carryover Budgeted in 2023-2024	\$ 415,913

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

N/A

**PROPRIETARY FUND  
DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** - This fund provides for the operation of food services in all schools within the school district.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.**

**FIDUCIARY FUND  
DETAIL STATEMENTS**

Fiduciary Funds are defined by GASB No. 84 as four funds. (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

N/A



## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

N/A

MONTAGUE TOWNSHIP SCHOOL DISTRICT  
Statistical Section

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends (J-1 thru J-5)</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	89-94
<b>Revenue Capacity (J-6 thru J-9)</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	95-98
<b>Debt Capacity (J-10 thru J-13)</b> 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.	99-102
<b>Demographic and Economic Information (J-14 and J-15)</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	103-104
<b>Operating Information (J-16 thru J-20)</b> 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.	105-109

**Sources:**

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**Exhibit J-1**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 1,678,271	\$ 1,635,421	\$ 1,641,163	\$ 1,589,327	\$ 1,477,500	\$ 1,731,032	\$ 1,696,173	\$ 2,334,595	\$ 2,776,225	\$ 2,948,870
Restricted	167,802	366,610	217,703	444,003	611,767	519,791	2,268,699	3,774,076	3,821,153	3,747,363
Unrestricted	(437,219)	(997,991)	(997,862)	(1,084,670)	(1,122,232)	(1,114,653)	(843,721)	(705,758)	(458,348)	(93,494)
<b>Total governmental activities net assets</b>	<u>\$ 1,408,854</u>	<u>\$ 1,004,040</u>	<u>\$ 861,004</u>	<u>\$ 948,660</u>	<u>\$ 967,035</u>	<u>\$ 1,136,170</u>	<u>\$ 3,121,151</u>	<u>\$ 5,402,913</u>	<u>\$ 6,139,030</u>	<u>\$ 6,602,739</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 10,261	\$ 9,414	\$ 8,567	\$ 7,720	\$ 6,873	6,873	6,873	5,240	3,607	1,974
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	30,498	35,183	28,288	23,663	25,443	8,229	12,170	535	18,303	44,398
<b>Total business-type activities net assets</b>	<u>\$ 40,759</u>	<u>\$ 44,597</u>	<u>\$ 36,855</u>	<u>\$ 31,383</u>	<u>\$ 32,316</u>	<u>\$ 15,102</u>	<u>\$ 19,043</u>	<u>\$ 5,775</u>	<u>\$ 21,910</u>	<u>\$ 46,372</u>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 1,688,532	\$ 1,644,835	\$ 1,649,730	\$ 1,597,047	\$ 1,484,373	\$ 1,737,905	\$ 1,703,046	\$ 2,339,835	\$ 2,779,832	\$ 2,950,844
Restricted	167,802	366,610	217,703	444,003	611,767	519,791	2,268,699	3,774,076	3,821,153	3,747,363
Unrestricted	(406,721)	(962,808)	(969,574)	(1,061,007)	(1,096,789)	(1,106,424)	(831,551)	(705,223)	(440,045)	(49,096)
<b>Total district net assets</b>	<u>\$ 1,449,613</u>	<u>\$ 1,048,637</u>	<u>\$ 897,859</u>	<u>\$ 980,043</u>	<u>\$ 999,351</u>	<u>\$ 1,151,272</u>	<u>\$ 3,140,194</u>	<u>\$ 5,408,688</u>	<u>\$ 6,160,940</u>	<u>\$ 6,649,111</u>

Source: ACFR Schedule A-1

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 2,307,831	\$ 2,998,252	\$ 3,007,195	\$ 3,811,914	\$ 3,712,881	\$ 3,401,524	\$ 3,332,792	\$ 3,667,264	\$ 3,471,312	\$ 4,136,078
Special education	770,358	801,762	871,760	866,380	830,413	621,940	330,696	287,302	731,928	673,423
Other special education	280,339	41,492	367,078	175,318	390,352	243,414	-	-	-	31,896
School Sponsored Other Instruction	132,455	63,561	6,482	12,425	4,209	3,232	18,676	427	67,824	
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	1,662,914
Student & instruction related services	2,630,728	4,075,329	3,662,932	3,274,490	3,333,708	3,813,923	3,145,906	2,935,626	3,092,494	1,612,918
General administrative services	336,638	276,959	387,956	326,777	379,971	338,224	473,808	416,210	440,507	427,841
School administrative services	328,246	349,617	360,516	269,230	410,505	454,772	277,083	446,140	647,639	398,633
Plant operations and maintenance	590,550	538,050	554,997	583,386	489,112	592,107	505,300	501,886	747,643	866,745
Pupil transportation	929,334	1,011,551	1,006,746	955,273	1,040,205	948,393	534,466	412,487	662,371	745,945
Other Fiscal Charges										993
Charter Schools	761,756	573,397	463,836	441,269	286,070	492,527	429,923	655,457	525,399	406,629
Capital Outlay	993	17,184						124,183		
Interest on long-term debt	15,607	3,498	2,474							
Unallocated Depreciation										
Total governmental activities expenses	<u>9,084,835</u>	<u>10,750,652</u>	<u>10,691,972</u>	<u>10,716,462</u>	<u>10,877,426</u>	<u>10,910,056</u>	<u>9,048,650</u>	<u>9,446,982</u>	<u>10,387,117</u>	<u>10,964,015</u>
Business-type activities:										
Food service	107,342	98,249	107,130	86,414	101,670	100,775	75,534	91,004	317,230	149,612
Before and After Care							9,640		824	25,569
Total business-type activities expense	<u>107,342</u>	<u>98,249</u>	<u>107,130</u>	<u>86,414</u>	<u>101,670</u>	<u>100,775</u>	<u>85,174</u>	<u>91,004</u>	<u>318,054</u>	<u>175,181</u>
Total district expenses	<u>\$ 9,192,177</u>	<u>\$ 10,848,901</u>	<u>\$ 10,799,102</u>	<u>\$ 10,802,876</u>	<u>\$ 10,979,096</u>	<u>\$ 11,010,831</u>	<u>\$ 9,133,824</u>	<u>\$ 9,537,986</u>	<u>\$ 10,705,171</u>	<u>\$ 11,139,196</u>
<b>Program Revenues</b>										
Governmental activities:										
Operating grants and contributions	\$ 1,373,284	\$ 2,284,675	\$ 2,395,326	\$ 2,754,448	\$ 2,808,509	\$ 2,596,674	\$ 2,384,165	\$ 2,970,266	\$ 2,745,091	\$ 4,805,355
Charges for Services						19,450	-	1	194	120
Total governmental activities program revenues	<u>1,373,284</u>	<u>2,284,675</u>	<u>2,395,326</u>	<u>2,754,448</u>	<u>2,808,509</u>	<u>2,616,124</u>	<u>2,384,165</u>	<u>2,970,267</u>	<u>2,745,285</u>	<u>4,805,475</u>
Business-type activities:										
Charges for services										
Food service	17,416	14,718	13,696	12,129	39,558	18,943	9,476	87	11	17,604
Before and After Care							14,308		22,603	47,664
Operating grants and contributions	88,435	87,362	85,688	68,808	37,566	69,292	57,829	68,146	311,555	52,311
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>105,851</u>	<u>102,080</u>	<u>99,384</u>	<u>80,937</u>	<u>77,124</u>	<u>88,235</u>	<u>81,613</u>	<u>68,233</u>	<u>334,169</u>	<u>117,579</u>
Total district program revenues	<u>\$ 1,479,135</u>	<u>\$ 2,386,755</u>	<u>\$ 2,494,710</u>	<u>\$ 2,835,385</u>	<u>\$ 2,885,633</u>	<u>\$ 2,704,359</u>	<u>\$ 2,465,778</u>	<u>\$ 3,038,500</u>	<u>\$ 3,079,454</u>	<u>\$ 4,923,054</u>

Continued

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**Exhibit J-2**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (7,711,551)	\$ (8,465,977)	\$ (8,296,646)	\$ (7,962,014)	\$ (8,068,917)	\$ (8,293,932)	\$ (6,664,485)	\$ (6,476,715)	\$ (7,641,832)	\$ (6,158,540)
Business-type activities	(1,491)	3,831	(7,746)	(5,477)	(24,546)	(12,540)	(3,561)	(22,771)	16,115	(57,602)
Total district-wide net expense	<u>\$ (7,713,042)</u>	<u>\$ (8,462,146)</u>	<u>\$ (8,304,392)</u>	<u>\$ (7,967,491)</u>	<u>\$ (8,093,463)</u>	<u>\$ (8,306,472)</u>	<u>\$ (6,668,046)</u>	<u>\$ (6,499,486)</u>	<u>\$ (7,625,717)</u>	<u>\$ (6,216,142)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 5,556,260	\$ 5,667,385	\$ 5,780,732	\$ 5,780,732	\$ 5,896,347	\$ 6,256,056	\$ 6,552,974	\$ 6,717,893	\$ 6,572,446	\$ 6,572,446
Taxes Levied for Debt Service	124,525	124,637	122,378	2,008						
Transfers in/(out)	-	1,748	-	-	(25,076)	(23,528)	(7,500)	(9,500)	-	(82,031)
Unrestricted grants and contributions	2,220,065	2,245,946	2,244,711	2,225,159	2,185,393	2,176,829	2,088,287	1,902,417	1,710,952	-
Investment earnings	2,423	1,174	1,240	7,343	2,464	2,840	2,770	2,541	772	4,705
Miscellaneous income	3,163	20,273	4,549	34,428	28,164	50,870	9,940	145,126	93,779	127,129
Total governmental activities	<u>7,906,436</u>	<u>8,061,163</u>	<u>8,153,610</u>	<u>8,049,670</u>	<u>8,087,292</u>	<u>8,463,067</u>	<u>8,646,471</u>	<u>8,758,477</u>	<u>8,377,949</u>	<u>6,622,249</u>
Business-type activities:										
Transfers in/(out)					25,476	(4,675)	7,500	9,500	-	82,031
Investment earnings	11	7	4	5	3	1	2	3	20	33
Total business-type activities	<u>11</u>	<u>7</u>	<u>4</u>	<u>5</u>	<u>25,479</u>	<u>(4,674)</u>	<u>7,502</u>	<u>9,503</u>	<u>20</u>	<u>82,064</u>
Total district-wide	<u>\$ 5,280,658</u>	<u>\$ 5,288,738</u>	<u>\$ 5,111,390</u>	<u>\$ 5,295,785</u>	<u>\$ 5,332,775</u>	<u>\$ 5,474,910</u>	<u>\$ 5,677,169</u>	<u>\$ 5,682,153</u>	<u>\$ 5,779,184</u>	<u>\$ 6,704,313</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 194,885	\$ (404,814)	\$ (143,036)	\$ 87,656	\$ 18,375	\$ 169,135	\$ 1,981,986	\$ 2,281,762	\$ 736,117	\$ 463,709
Business-type activities	(1,480)	3,838	(7,742)	(5,472)	933	(17,214)	3,941	(13,268)	16,135	24,462
Total district	<u>\$ 193,405</u>	<u>\$ (400,976)</u>	<u>\$ (150,778)</u>	<u>\$ 82,184</u>	<u>\$ 19,308</u>	<u>\$ 151,921</u>	<u>\$ 1,985,927</u>	<u>\$ 2,268,494</u>	<u>\$ 752,252</u>	<u>\$ 488,171</u>

Source: ACFR Schedule A-2

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

**Exhibit J-3**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Restricted	\$ 167,802	\$ 366,610	\$ 214,962	\$ 439,254	\$ 607,018	\$ 519,791	\$ 2,266,077	\$ 3,771,602	\$ 3,819,357	\$ 3,541,806
Reserved	556,989	85,601	174,218	247,538	149,623	96,973	428,268	325,185	403,427	290,849
Unreserved	212,471	62,020	-	-	79,473	102,147	69,293	254,927	247,490	751,955
Total general fund	<u>\$ 937,262</u>	<u>\$ 514,231</u>	<u>\$ 389,180</u>	<u>\$ 686,792</u>	<u>\$ 836,114</u>	<u>\$ 718,911</u>	<u>\$ 2,763,638</u>	<u>\$ 4,351,714</u>	<u>\$ 4,470,274</u>	<u>\$ 4,584,610</u>
All Other Governmental Funds										
Restricted			\$ 2,741	\$ 4,749	\$ 4,749		\$ 2,622	\$ 2,474	\$ 1,796	\$ 2,090
Reserved		\$ 31,332	80,332	80,332	80,332		-	-	-	
Unreserved / (Deficit)	\$ (21,917)	(2,008)					(74,846)	(73,163)	(71,113)	(76,972)
Total all other governmental funds	<u>\$ (21,917)</u>	<u>\$ 29,324</u>	<u>\$ 83,073</u>	<u>\$ 85,081</u>	<u>\$ 85,081</u>	<u>-</u>	<u>\$ (72,224)</u>	<u>\$ (70,689)</u>	<u>\$ (69,317)</u>	<u>\$ (74,882)</u>

Source: ACFR Schedule B-1

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

**Exhibit J-4**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Revenues</b>										
Tax levy	\$ 5,680,785	\$ 5,792,022	\$ 5,903,110	\$ 5,782,740	\$ 5,896,347	\$ 6,256,056	\$ 6,552,974	\$ 6,717,893	\$ 6,572,446	\$ 6,572,446
Tuition	-	-	-	-	-	19,450	-	-	-	120
Interest Earnings	115	1,174	1,240	7,343	2,464	2,840	2,770	2,541	772	-
Miscellaneous	5,471	20,273	4,549	34,428	28,164	50,870	9,940	145,128	93,973	131,834
State sources	3,273,397	3,324,954	3,417,531	3,351,686	3,546,767	3,481,004	3,794,813	4,179,204	4,085,406	4,787,914
Federal sources	319,952	611,857	473,627	398,008	272,621	598,471	438,009	541,414	631,466	706,801
<b>Total revenue</b>	<b>9,279,720</b>	<b>9,750,280</b>	<b>9,800,057</b>	<b>9,574,205</b>	<b>9,746,363</b>	<b>10,408,691</b>	<b>10,798,506</b>	<b>11,586,180</b>	<b>11,384,063</b>	<b>12,199,115</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	1,663,814	1,806,233	1,646,499	1,822,591	1,821,876	1,808,214	2,012,408	2,374,347	2,279,731	2,904,538
Special education instruction	555,804	429,140	472,673	422,331	432,443	292,387	172,503	155,515	420,452	340,400
Other special instruction	275,142	40,838	178,410	74,075	175,554	112,246	-	-	-	31,896
Other instruction	3,600	3,850	3,150	5,250	1,893	1,835	9,585	-	40,149	-
<b>Support Services:</b>										
Tuition	-	-	-	-	-	-	-	-	-	1,662,914
Student & instruction related services	2,455,315	3,851,721	3,431,945	3,017,419	3,171,083	3,548,720	2,867,355	2,658,854	2,819,139	1,274,340
General administrative services	287,355	228,093	324,650	276,441	294,595	288,609	377,927	333,805	361,886	711,125
School Administrative services	242,702	224,158	222,018	151,858	266,257	360,831	203,675	287,558	443,697	206,757
Plant operations and maintenance	515,093	455,828	437,925	486,884	403,161	510,846	443,928	423,575	656,118	693,033
Pupil transportation	901,123	972,826	962,829	907,943	996,675	907,321	485,365	345,707	563,301	745,945
Unallocated employee benefits	1,302,601	1,432,413	1,569,409	1,589,231	1,680,788	1,869,359	1,688,887	1,935,255	2,476,289	2,586,602
Other Support Services	-	-	-	-	-	-	-	-	-	-
Charter Schools	761,756	573,397	463,836	441,269	286,070	492,527	429,923	655,457	525,399	406,629
Capital outlay	993	15,953	74,354	86,937	41,570	394,552	129,942	816,996	677,970	444,134
<b>Debt service:</b>										
Principal	127,500	128,500	128,000	-	-	-	-	-	-	-
Interest and other charges	14,789	9,368	4,661	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>9,107,587</b>	<b>10,172,318</b>	<b>9,920,359</b>	<b>9,282,229</b>	<b>9,571,965</b>	<b>10,587,447</b>	<b>8,821,498</b>	<b>9,987,069</b>	<b>11,264,131</b>	<b>12,008,313</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>172,133</b>	<b>(422,038)</b>	<b>(120,302)</b>	<b>291,976</b>	<b>174,398</b>	<b>(178,756)</b>	<b>1,977,008</b>	<b>1,599,111</b>	<b>119,932</b>	<b>190,802</b>
<b>Other Financing Sources (uses)</b>										
Capital Leases	-	-	-	7,644	-	-	-	-	-	-
Funded by Budget Appropriation	47,500	48,500	49,000	-	-	-	-	-	-	-
Transfers in	-	1,748	-	-	(25,076)	(23,528)	(7,500)	(9,500)	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(82,031)
<b>Total other financing sources (uses)</b>	<b>47,500</b>	<b>50,248</b>	<b>49,000</b>	<b>7,644</b>	<b>(25,076)</b>	<b>(23,528)</b>	<b>(7,500)</b>	<b>(9,500)</b>	<b>-</b>	<b>(82,031)</b>
<b>Net change in fund balances</b>	<b>\$ 219,633</b>	<b>\$ (371,790)</b>	<b>\$ (71,302)</b>	<b>\$ 299,620</b>	<b>\$ 149,322</b>	<b>\$ (202,284)</b>	<b>\$ 1,969,508</b>	<b>\$ 1,589,611</b>	<b>\$ 119,932</b>	<b>\$ 108,771</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>1.52%</b>	<b>1.56%</b>	<b>1.36%</b>	<b>1.35%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

Source: ACFR Schedule B-2

MONTAGUE TOWNSHIP SCHOOL DISTRICT

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	\$ 2,423	-	-	\$ 3,163	\$ 5,586
2015	1,174	\$ 6,269	-	14,004	21,447
2016	1,240	-	-	4,549	5,789
2017	7,343	-	-	34,428	41,771
2018	2,464	5,456	-	22,708	30,628
2019	2,840	21,193	\$ 19,450	29,677	73,160
2020	2,770	68	-	9,872	12,710
2021	2,541	104,221	-	40,905	147,667
2022	1,851	33,428	-	59,272	94,551
2023	4,705	97,852	120	28,469	131,146

SOURCE: District Records



**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**

**Exhibit J-6**

<u>Fiscal Year Ended June 30</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2014	\$11,878,750	\$179,701,043	\$9,339,100	\$1,146,042	\$18,932,540	\$1,899,300	\$420,000	280,440,961	\$55,757,350	\$683,418	224,683,611	\$2.471	\$333,192,269
2015	10,862,850	180,125,043	9,638,000	1,159,342	19,083,140	1,899,300	420,000	278,774,625	55,586,950	-	223,187,675	2.597	333,175,171
2016 *	16,354,600	263,029,600	14,750,900	1,208,000	35,023,300	27,828,900	448,000	441,523,300	82,880,000	-	358,643,300	1.615	342,264,384
2017	16,006,700	262,316,400	14,597,200	1,211,100	34,950,200	27,686,800	448,000	439,157,300	81,940,900	-	357,216,400	1.652	351,615,565
2018	15,448,800	261,925,700	14,297,600	936,300	34,950,200	27,626,800	448,000	438,017,000	82,383,600	-	355,633,400	1.626	367,140,165
2019	15,394,900	261,024,900	15,036,600	927,500	35,090,000	27,626,800	448,000	437,536,400	81,987,700	-	355,548,700	1.626	364,146,167
2020	14,791,800	260,551,500	15,044,100	949,100	35,109,100	27,626,800	448,000	437,241,900	82,721,500	-	354,520,400	1.807	368,075,329
2021	14,502,600	260,794,900	14,955,900	924,700	35,188,200	27,626,800	448,000	437,455,200	83,014,100	-	354,441,100	1.872	384,258,666
2022	14,314,900	262,475,600	14,467,200	889,300	35,705,000	27,626,800	375,000	439,135,800	83,282,000	-	355,853,800	1.881	390,010,305
2023	14,277,500	262,938,800	15,227,400	923,800	36,017,200	27,626,800	375,000	442,180,500	84,794,000	-	357,386,500	0.000	407,740,063

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

\* Revaluation

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

**Exhibit J-7**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30	<u>Basic Rate <sup>a</sup></u>	<u>Debt Service <sup>b</sup></u>	<u>Total Direct</u>	<u>Township</u>	<u>Sussex County</u>	<u>Total Direct and Overlapping Tax Rate</u>
2014	\$2.417	\$0.054	\$2.471	\$0.524	\$0.756	\$3.751
2015	2.541	0.056	2.597	0.547	0.780	3.924
2016 *	1.582	0.033	1.615	0.389	0.492	2.496
2017	1.651	0.001	1.652	0.401	0.543	2.596
2018	1.626		1.626	0.408	0.589	2.623
2019	1.626		1.626	0.484	0.589	2.623
2020	1.807		1.807	0.409	0.602	2.818
2021	1.872		1.872	0.412	0.634	2.918
2022	1.881		1.881	0.418	0.642	2.941
2023	1.825		1.825	0.423	0.642	2.890

Source: District Records and Municipal Tax Collector

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

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

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

\* Revaluation

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Principal Property Tax Payers,**  
**Current Year and Nine Years Ago**

**Exhibit J-8**

**Montague Township**

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Tenneco, Inc.	\$ 25,700,000	1	7.2%			
Tri State Mall Assoc.	12,028,700	2	3.4%			
Mc Donald Corp.	1,324,800	3	0.4%			
AMG, Pub II	1,295,000	4	0.4%			
Petrozino, LLC	1,291,800	5	0.4%	INFORMATION IS NOT AVAILABLE		
FSRP Realty, LLC	1,150,000	6	0.3%			
Ponky LLC	1,128,300	7	0.3%			
Lease Rentals at Gables LLC	1,061,000	8	0.3%			
442 Montague, LLC	818,300	9	0.2%			
ADPP Enterprises, Inc.	773,600	10	0.2%			
<b>Total</b>	<b>\$ 20,871,500</b>		<b>5.84%</b>	<b>\$ -</b>		<b>0.00%</b>

Source: District ACFR & Municipal Tax Assessor

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Property Tax Levies and Collections,**  
**Last Ten Fiscal Years**

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 5,680,785	\$ 5,680,785	100.00%	-
2015	5,792,022	5,792,022	100.00%	-
2016	5,903,110	5,903,110	100.00%	-
2017	5,782,740	5,782,740	100.00%	-
2018	5,896,347	5,896,347	100.00%	-
2019	6,260,805	6,260,805	100.00%	-
2020	6,552,974	6,552,974	100.00%	-
2021	6,717,893	6,717,893	100.00%	-
2022	6,572,446	6,572,446	100.00%	-
2023	6,572,446	6,572,446	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 the amount voted upon or certified prior to the end of the school year.

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2014	\$159,000	-0-	-0-	\$97,500	-0-	\$256,500	0.13%	\$67.61	
2015	79,000	-0-	-0-	49,000	-0-	128,000	0.06%	33.96	
2016	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
2017	-0-	-0-	\$6,079	-0-	-0-	6,079	-0-	1.64	
2018	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
2019	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
2020	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
2021	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
2022	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
2023	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	

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.

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

**Exhibit J-11**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$159,000.00	-0-	\$159,000.00	0.071%	\$41.91
2015	79,000.00	-0-	79,000.00	0.035%	20.96
2016	-0-	-0-	-0-	N/A	N/A
2017	-0-	-0-	-0-	N/A	N/A
2018	-0-	-0-	-0-	N/A	N/A
2019	-0-	-0-	-0-	N/A	N/A
2020	-0-	-0-	-0-	N/A	N/A
2021	-0-	-0-	-0-	N/A	N/A
2022	-0-	-0-	-0-	N/A	N/A
2023	-0-	-0-	-0-	N/A	N/A

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.  
**a** See Exhibit NJ J-6 for property tax data.  
**b** Population data can be found in Exhibit NJ J-14.  
 \* Current data unavailable

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2023**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Montague Township	\$ 1,628,000	100.000%	\$ 1,628,000
<b>Other debt</b>			
Sussex County	95,444,925	2.135%	<u>\$ 2,038,220</u>
Subtotal, overlapping debt			3,666,220
<b>Montague Township School District Direct Debt</b>			<u>-</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 3,666,220</u></u>

**Sources:** Constituent Townships Finance Officers, Sussex County Finance Office and Utility Authorities

**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 the district's boundaries and dividing it by each unit's total taxable value.

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**

**Exhibit J-13**

**Legal Debt Margin Calculation for Fiscal Year 2023**

	Equalized valuation basis	
	2020	\$ 388,003,394
	2021	405,531,396
	2022	437,384,041
	<b>[A]</b>	<b>\$ 1,230,918,831</b>
Average equalized valuation of taxable property	<b>[A/3]</b>	\$ 410,306,277
Debt limit (3.0% of average equalization value)	<b>[B]</b>	12,309,188 <sup>a</sup>
Net bonded school debt	<b>[C]</b>	-
Legal debt margin	<b>[B-C]</b>	<b>\$ 12,309,188</b>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt limit	\$8,798,852	\$8,335,111	\$8,366,780	\$8,667,852	\$9,038,262	\$11,007,207	\$11,163,062	\$11,405,647	\$11,774,226	\$12,309,188
Total net debt applicable to limit	159,000	79,000	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$8,639,852</u>	<u>\$8,256,111</u>	<u>\$8,366,780</u>	<u>\$8,667,852</u>	<u>\$9,038,262</u>	<u>\$11,007,207</u>	<u>\$11,163,062</u>	<u>\$11,405,647</u>	<u>\$11,774,226</u>	<u>\$12,309,188</u>
Total net debt applicable to the limit as a percentage of debt limit	1.81%	0.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Abstract of Ratables and District Records ACFR Schedule J-7

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



**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

**Exhibit J-14**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2014	3,794	\$205,316,104	\$54,116 R	6.8%
2015	3,769	\$210,016,218	\$55,722 R	5.8%
2016	3,729	\$213,772,383	\$57,327 R	4.8%
2017	3,700	\$218,832,800	\$59,144 R	5.0%
2018	3,681	\$226,495,611	\$61,531 R	4.1%
2019	3,669	\$235,857,996	\$64,284 R	3.9%
2020	3,654	\$247,792,356	\$67,814 R	8.9%
2021	3,630	\$257,944,170	\$71,059 R	7.3%
2022	3,803	\$270,237,377	\$71,059 *	4.8%
2023	3,826	\$271,871,734	\$71,059 *	*

**Source:**

<sup>a</sup> Combined Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal Income provided by US Dept of Commerce

<sup>c</sup> Per Capita provided by NJ Dept of Labor

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

R =Revised

P =Projected

\* Current figure unavailable

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Principal Employers,**  
**Current Year and Nine Years Ago**

**Exhibit J-15**

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
		N/A			N/A	
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

**Source:**  
Information not available at municipal or county level

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**

**Exhibit J-16**

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	24.5	23.5	23.5	19.0	26.5	24.0	26.0	25.0	35.0	26.0
Special education	4.5	3.5	3.5	8.0	3.5	4.0	4.0	4.0	4.0	6.0
Other Special Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Instruction	5.0	5.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	10.0
Support Services:										
Student & instruction related services	2.0	2.0	2.0	2.0	2.5	2.0	3.0	3.0	4.0	7.0
School administrative services	2.0	2.0	2.0	2.0	2.5	2.5	2.0	2.0	2.0	3.0
General administrative services	2.5	2.5	2.5	2.5	1.0	2.0	1.5	1.0	1.0	1.0
Plant operations and maintenance	2.5	2.5	2.5	2.5	4.0	4.0	2.0	3.0	4.0	5.0
Business and Other Support Services	3.0	3.0	3.0	3.0	2.0	3.0	2.0	2.0	2.0	2.0
Pupil Transportation	1.0	1.0	1.0	1.0	0.0	2.0	1.0	1.0	5.0	5.0
Food Service	1.5	1.5	1.5	1.5	2.0	2.0	2.0	1.5	1.5	1.5
<b>Total</b>	<b>48.5</b>	<b>46.5</b>	<b>45.5</b>	<b>45.5</b>	<b>49.0</b>	<b>50.5</b>	<b>48.5</b>	<b>47.5</b>	<b>63.5</b>	<b>66.5</b>

**Source:** District Personnel Records

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**Operating Statistics**  
**Last Ten Fiscal Years**

Exhibit J-17

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures<sup>a</sup></b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff<sup>b</sup></b>	<b>Pupil/Teacher Ratio</b>	<b>Average Daily Enrollment (ADE)<sup>c</sup></b>	<b>Average Daily Attendance (ADA)<sup>c</sup></b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
2014	259	\$ 8,964,305	\$ 34,611	1.33%	28.00	9.3:1	259.2	250.2	-5.05%	96.53%
2015	219	10,018,497	45,747	32.17%	26.00	8.4:1	216.1	206.1	-16.63%	95.37%
2016	226	9,713,344	42,979	-6.05%	26.00	8.7:1	212.6	199.7	-1.62%	93.92%
2017	250	9,195,292	36,781	-14.42%	27.00	9.3:1	250.0	233.0	17.59%	93.20%
2018	252	9,530,395	37,819	2.82%	30.00	8.4:1	245.7	229.5	-1.72%	93.38%
2019	255	10,192,895	39,972	5.69%	28.00	9.1:1	249.9	234.0	1.70%	93.62%
2020	242	8,691,556	35,916	-10.15%	30.00	8.1:1	243.0	231.9	-2.75%	95.44%
2021	250	9,170,073	36,680	2.13%	30.00	8.3:1	242.5	232.1	-21.00%	95.71%
2022	282	10,586,161	37,764	2.96%	39.00	7.2:1	268.7	249.2	10.80%	92.74%
2023	309	11,564,179	37,425	-0.90%	26.00	11.9:1	296.0	275.5	10.16%	93.07%

**Sources:** District records, ASSA and Schedules J-4.

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- 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).

**MONTAGUE TOWNSHIP SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**

**Exhibit J-18**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Elementary School										
Square Feet	40,010	40,010	40,010	40,010	40,010	40,010	40,010	40,010	40,010	40,010
Capacity (students)	327	327	327	327	327	327	327	327	327	327
Enrollment	259	219	226	250	252	255	242	250	282	309

Number of Schools at June 30, 2023  
 Elementary = 1

**Source:** District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and/or additions. Enrollment is based on the annual October district count.

MONTAGUE TOWNSHIP SCHOOL DISTRICT  
**GENERAL FUND**  
**SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**  
**Last Ten Fiscal Years Ending June 30, 2023**

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
Montague Elementary School	N/A	\$ 96,998	\$ 88,903	\$ 94,229	\$ 153,389	\$ 54,530	\$ 55,225	\$ 48,684	\$ 55,111	\$ 259,265	\$ 306,435	\$ 1,212,769
<b>Grand Total</b>		<b>\$ 30,909</b>	<b>\$ 26,433</b>	<b>\$ 138,304</b>	<b>\$ 104,255</b>	<b>\$ 107,401</b>	<b>\$ 115,325</b>	<b>\$ 97,861</b>	<b>\$ 117,663</b>	<b>\$ 66,331</b>	<b>\$ 306,435</b>	<b>\$ 1,110,917</b>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

**INSURANCE SCHEDULE**

**June 30, 2023**

**UNAUDITED**

**Exhibit J-20**

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
<b>COMMERCIAL PACKAGE POLICY - NJSIG</b>		
Property-Blanket Building and Contents (fund limit)	\$ 500,000,000	\$ 1,000
<b>LIABILITY - NJSIG</b>		
Comprehensive General Liability	16,000,000	None
Automobile Liability	16,000,000	None
Worker's Compensation	NJ Statutory	
<b>SCHOOL BOARD LEGAL LIABILITY - NJSIG</b>		
Limit of Liability	16,000,000	10,000
Coverage A	16,000,000	10,000
Coverage B	100,000/300,000	10,000
<b>CRIME - NJSIG</b>		
Blanket Employee Dishonesty	500,000	1,000
Forgery	250,000	1,000
Computer Fraud	50,000	500
Money and Securities	50,000	500
<b>PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE</b>		
<b>BLANKET POSITION BOND-Selective Insurance Company</b>		
School Board Administrator & Treasurer	200,000	None

SOURCE: District Records

# **Single Audit Section**





## **ARDITO & COMPANY LLC**

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Anthony Ardito, CPA, RMA, CMFO, PSA

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

#### Independent Auditor's Report

Honorable President and  
 Members of the Board of Education  
 Montague Township School District  
 County of Sussex  
 Montague, New Jersey 07827

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, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montague Township School District Board of Education in the County of Sussex, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Montague Township School District Board of Education's basic financial statements, and have issued our report thereon dated November 30, 2023.

#### **Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

-Continued-

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

**Compliance and Other Matters**

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

We noted certain matters that we reported to management of the Montague Township School District, in a separate letter dated November 30, 2023 entitled "Auditor's Management Report on Administrative Findings".

**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 for New Jersey Department of Education use, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ardito & Company LLC*

**ARDITO & COMPANY LLC**

Frenchtown, New Jersey  
November 30, 2023

*Anthony Ardito*

Anthony Ardito  
Certified Public Accountant  
Licensed Public School Accountant No. 2369

**ARDITO & COMPANY LLC**

Frenchtown, New Jersey  
November 30, 2023



## **ARDITO & COMPANY LLC**

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Anthony Ardito, CPA, RMA, CMFO, PSA

### **Independent Auditor's Report on Compliance For Each Major 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  
 Montague Township School District  
 County of Sussex  
 Montague, New Jersey 07827

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

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

We have audited the Montague Township School District Board of Education's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The Montague Township School District Board of Education'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 Montague Township School District Board of Education 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, 2023.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States; and 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); the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance, and New Jersey OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Montague Township School District Board of Education, 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Montague Township School District Board of Education'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 New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of 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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance, and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2023-002 through 2023-005. Our opinion on each major federal and state program is not modified with respect to these matters.

***Government Auditing Standards*** requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

-Continued-

### ***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 program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 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.

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 Uniform Guidance and New Jersey OMB circular 15-08, and for New Jersey Department of Education use. Accordingly, this report is not suitable for any other purpose.

*Ardito & Company LLC*

**ARDITO & COMPANY LLC**

Frenchtown, New Jersey  
November 30, 2023

*Anthony Ardito*

Anthony Ardito  
Certified Public Accountant  
Licensed Public School Accountant No. 2369

**ARDITO & COMPANY LLC**

Frenchtown, New Jersey  
November 30, 2023

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2023

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance At June 30, 2022	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2023			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
<b>U.S. Department of Education</b>																
<b>General Fund:</b>																
Impact Aid	84.041	N/A	N/A	\$ 165,599	7/1/22	6/30/23			\$ 165,599	\$ (165,599)						\$ 165,599
<b>Total General Fund</b>							-	-	<b>165,599</b>	<b>(165,599)</b>	-	-	-	-	-	<b>165,599</b>
<b>U.S. Department of Education</b>																
<b>Passed-through</b>																
<b>State Department of Education:</b>																
<b>Special Revenue Fund:</b>																
Title I	84.010	S010A220030	N/A	95,537	7/1/22	6/30/23				(95,537)		\$ (95,537)				95,537
Title I	84.010	S010A210030	N/A	119,750	7/1/21	6/30/22	\$ (119,460)		119,750						\$ 290	119,460
Title I	84.010	S010A200030	N/A	133,998	7/1/18	9/30/21	1,492					\$ (1,492)				132,506
Total Title I Cluster							(117,968)	-	119,750	(95,537)	-	(1,492)	(95,537)	-	290	347,503
Title II (A)	84.367	S367B220027	N/A	11,780	7/1/22	6/30/23				(180)			(180)			180
Title II (A)	84.367	S367B210027	N/A	8,564	7/1/21	6/30/22	(8,564)		8,564							8,564
Title IV	84.424A	S424B220027	N/A	10,000	7/1/22	6/30/23				(10,000)			(10,000)			10,000
Title IV	84.424A	S424B210027	N/A	10,000	7/1/21	6/30/22	(8,647)		10,000						1,353	8,647
Total Non-Cluster ESEA							(17,211)	-	18,564	(10,180)	-	-	(10,180)	-	1,353	27,391
I.D.E.A. Part B, Basic Regular	84.027	H027A220100	N/A	103,797	7/1/22	6/30/23			103,797	(103,797)						103,797
I.D.E.A. Part B, Basic Regular	84.027	H027A210100	N/A	144,444	7/1/21	6/30/22	(144,444)		144,444							144,444
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	N/A	100,029	4/4/13	6/30/21	41					(41)				100,029
I.D.E.A. Part B, Preschool	84.173	H173A220114	N/A	4,733	7/1/22	6/30/23			4,733	(4,733)						4,733
I.D.E.A. Part B, Preschool	84.173	H173A220114	N/A	4,423	7/1/21	6/30/22	(4,423)		4,423							4,423
American Rescue Plan-IDEA Basic	84.027X	H027X220100	N/A	12,622	3/13/20	9/30/24	-		12,622	(12,622)						12,622
American Rescue Plan-IDEA Preschool	84.173X	H173X220100	N/A	1,073	3/13/20	9/30/24	-		1,073	(1,073)						1,073
Total Special Education Cluster							(148,826)	-	271,092	(122,225)	-	(41)	-	-	-	371,121
Small Rural School Achievement	84.358A	S358B220030	S358A222730	22,742	7/1/22	9/30/23	17,948		22,742	(22,742)				\$ 17,948		22,742
							17,948	-	22,742	(22,742)	-	-	-	17,948	-	22,742
American Rescue Plan-ESSER III	84.425U	S425U220027	ARP	986,882	3/13/20	9/30/24	(103,584)			(176,879)			(280,463)			280,463
American Rescue Plan-Accel. Learn. Coaching & Ed. Support	84.425U	S425U220027	ARP	50,000	3/13/20	9/30/24				(5,712)			(5,712)			5,712
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U220027	ARP	40,000	3/13/20	9/30/24				(19,411)			(19,411)			19,411
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U220027	ARP	40,000	3/13/20	9/30/24				(19,165)			(19,165)			19,165
American Rescue Plan-NJTSS Mental Health Support Staffing	84.425U	S425U220027	ARP	45,000	3/13/20	9/30/24				(6,444)			(6,444)			6,444
CARES Emergency Relief Grant	84.425D	S425D200027	CARES	112,977	3/13/20	9/30/22	(4,150)		7,944						3,794	109,183
CRRSA ESSER II	84.425D	S425D220027	CRRSA	439,115	3/13/20	9/30/23				(60,197)			(60,197)			60,197
CRRSA II Learning Acceleration	84.425D	S425D220027	CRRSA	28,180	3/13/20	9/30/23	(1,101)		28,180	(27,079)						28,180
CRRSA II Mental Health	84.425D	S425D220027	CRRSA	45,000	3/13/20	9/30/23	(12,314)		45,000	(32,491)					195	44,805
Total Education Stabilization Fund							(121,149)	-	81,124	(347,378)	-	-	(391,392)	-	3,989	573,560
<b>Total Special Revenue Fund</b>							<b>(387,206)</b>	<b>-</b>	<b>513,272</b>	<b>(598,062)</b>	<b>-</b>	<b>(1,533)</b>	<b>(497,109)</b>	<b>17,948</b>	<b>5,632</b>	<b>1,342,317</b>
<b>Enterprise Fund:</b>																
<b>Child Nutrition Cluster:</b>																
National School Lunch Program	10.555	221NJ304N1099	N/A		7/1/21	6/30/22	(24,971)		24,971							
National School Lunch Program	10.555	231NJ304N1199	N/A	39,117	7/1/22	6/30/23			27,561	(39,117)			(11,556)			39,117
School Breakfast Program	10.553	231NJ304N1199	N/A	11,335	7/1/22	6/30/23			8,091	(11,335)			(3,244)			11,335
<b>Total Enterprise Fund</b>							<b>(24,971)</b>	<b>-</b>	<b>60,623</b>	<b>(50,452)</b>	<b>-</b>	<b>-</b>	<b>(14,800)</b>	<b>-</b>	<b>-</b>	<b>50,452</b>
<b>TOTAL FEDERAL ASSISTANCE</b>							<b>\$ (412,177)</b>	<b>-</b>	<b>\$ 739,494</b>	<b>\$ (814,113)</b>	<b>-</b>	<b>\$ (1,533)</b>	<b>\$ (511,909)</b>	<b>\$ 17,948</b>	<b>\$ 5,632</b>	<b>\$ 1,558,368</b>

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year Ended June 30, 2023

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2022	WALKOVER/ CARRY- OVER AMOUNT	CASH RECEIVED	BUDGETARY EXPEND.	ADJUST.	REPAY. OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2023			MEMO		
										(ACCTS. RECEIV.)	DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
<b>STATE DEPARTMENT OF EDUCATION</b>															
<b>General Fund:</b>															
Equalization Aid	23-495-034-5123-078	7/1/22-6/30/23	\$ 1,149,643			\$ 1,149,643	\$ (1,149,643)							\$ 110,327	\$ 1,149,643
Transportation Aid	23-495-034-5123-014	7/1/22-6/30/23	326,614			326,614	(326,614)							31,344	326,614
Special Education Aid	23-495-034-5123-089	7/1/22-6/30/23	257,132			257,132	(257,132)							24,676	257,132
Security Aid	23-495-034-5123-084	7/1/22-6/30/23	100,706			100,706	(100,706)							9,664	100,706
Maintenance of Equity Aid	23-495-034-5120-128	7/1/22-6/30/23	590,562				(590,562)			\$(590,562)					590,562
Extra-ordinary Aid	22-495-034-5123-044	7/1/21-6/30/22	95,886	\$ (95,886)		95,886	-								95,886
Extra-ordinary Aid	23-495-034-5123-044	7/1/22-6/30/23	87,404				(87,404)			(87,404)					87,404
On Behalf TPAF Pension	23-495-034-5094-002	7/1/22-6/30/23	908,210			908,210	(908,210)								908,210
On Behalf TPAF Pension PRM	23-495-034-5094-001	7/1/22-6/30/23	238,585			238,585	(238,585)								238,585
On Behalf TPAF Pension LTD Ins	23-495-034-5094-004	7/1/22-6/30/23	535			535	(535)								535
Reimbursed TPAF Soc. Secur. Contrib.	23-495-034-5094-003	7/1/22-6/30/23	220,026	(20,337)		228,583	(220,026)			(11,780)					220,026
<b>Total General Fund</b>				(116,223)		3,305,894	(3,879,417)			(689,746)				176,011	3,975,303
<b>Special Revenue Fund</b>															
School Climate Change Pilot	Not Available	4/1/23-6/30/23	6,660			6,660	(6,660)								6,660
Preschool Education Aid	23-495-034-5123-086	7/1/22-6/30/23	769,720	415,913		769,720	(877,730)				\$ 307,903			76,972	877,730
<b>Total Special Revenue Fund</b>				415,913	-	776,380	(884,390)			-	-	307,903		76,972	884,390
<b>Enterprise Fund:</b>															
Nat. School Lunch Prog. (State Share)	22-100-010-3350-023	7/1/21-6/30/22		(366)		366									
Nat. School Lunch Prog. (State Share)	23-100-010-3350-023	7/1/22-6/30/23	1,859			1,323	(1,859)			(536)					1,859
<b>Total Enterprise Fund</b>				(366)		1,689	(1,859)			(536)					1,859
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>				<b>\$ 299,324</b>	<b>-</b>	<b>\$ 4,083,963</b>	<b>\$ (4,765,666)</b>	<b>-</b>	<b>-</b>	<b>\$(690,282)</b>	<b>\$ 307,903</b>	<b>-</b>	<b>\$ 252,983</b>	<b>\$ 4,861,552</b>	
<b>Less On-behalf TPAF Pension Amounts:</b>															
On Behalf TPAF Pension	23-495-034-5094-002					908,210									
On Behalf TPAF Pension PRM	23-495-034-5094-001					238,585									
On Behalf TPAF Pension LTD Ins	23-495-034-5094-004					535									
<b>Total State Expenditures Subject to Major Program Determination</b>						<b>\$ (3,618,336)</b>									

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2023

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and NJ OMB 15-08*. 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% de minimis indirect cost rate.

**NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last 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 revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$29,966 for the general fund and (\$56,860) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:



NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2023

**NOTE 3. (Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 165,599	\$ 3,909,383	\$ 4,074,982
Special Revenue Fund	541,202	878,531	1,419,733
Food Service Fund	<u>50,452</u>	<u>1,859</u>	<u>52,311</u>
Total Financial Assistance	<u>\$ 757,253</u>	<u>\$ 4,789,773</u>	<u>\$ 5,547,026</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**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? x Yes    No

2) Were significant deficiencies identified that were not considered to be material weaknesses?    Yes x None Reported

Noncompliance material to financial statements noted?    Yes x No

**Federal Awards**

Internal control over major programs:

1) Material weakness(es) identified?    Yes x No

2) Were significant deficiencies identified that were not considered to be material weaknesses?    Yes x None

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of ? x Yes    No

Identification of major programs:

<u>Assistance Listing</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>Education Stabilization Fund:</u>		
<u>84.425D</u>	<u>S425D220027</u>	<u>CRRSA</u>
<u>84.425U</u>	<u>S425U220027</u>	<u>American Rescue Plan (ARP)</u>

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

Auditee qualified as low-risk auditee?    Yes x No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**State Financial Assistance Section**

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

Auditee qualified as low-risk auditee? x Yes    No

Internal Control over major programs:  
1) Material weakness(es) identified?    Yes x No

2) Were significant deficiencies identified that were not considered to be material weaknesses?    Yes x No

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable? x Yes    No

Identification of major programs:

**State Grant/Project Number(s)**

**Name of State Program**

23-495-034-5123-014  
23-495-034-5123-086

Transportation Aid  
Preschool Education Aid

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**Section II-Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.

**Financial Statement****Finding 2023-001****Criteria or Specific Requirement:**

General ledger assets and liabilities should be reconciled to the underlying account detail.

**Condition:**

Balance sheet asset and liability general ledger accounts were not reconciled to the underlying account detail.

**Context:**

Reconciliations were not prepared for the year resulting in \$988,563 of adjustments that comprise 19% of governmental fund assets.

**Effect:**

\$988,563 of cumulative differences were recorded as of June 30, 2023 to correct the financial statements.

**Cause:**

Lack of internal controls over the monitoring of the reconciliation of the general ledger assets and liabilities.

**Recommendation:**

The district should document and implement internal controls to monitor the preparation of asset and liability reconciliations to ensure accounts are reconciled to the underlying account detail on a monthly basis.

**Views of management and planned corrective actions:**

The School Business Administrator will document and implement internal controls sufficient to monitor the preparation of general ledger reconciliations, ensuring accounts are properly reconciled to the underlying account detail.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and NJOMB Circular Letter 15-08, as applicable.

**Federal Awards**

**Finding 2023-002**

**Criteria or Specific Requirement:**

Cash receipts for federal grants should be requested to be paid on a reimbursement basis subsequent to federal grant expenditures.

**Condition:**

Requests for federal grant payments (draw downs) exceeded expenditures for various programs. The entire grant award was drawn down without complete supporting documentation for related expenditures.

**Questioned Costs:**

N/A

**Context:**

The excess draw downs of \$5,632 are less than 1% (0.7%) of federal expenditures.

**Effect:**

Excess cash of \$5,632 is due to the federal agency grantor resulting in the district forfeiting amounts that could have been expended during the grant period.

**Cause:**

Lack of controls over federal grant cash management monitoring.

**Recommendation:**

The board should monitor federal programs and request cash reimbursements subsequent to the program expenditure.

**Views of management and planned corrective actions:**

The district plans to develop controls to request grant award payments on a reimbursement basis.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs -  
(Continued)**

**State Awards**

**Finding 2023-003**

**Information on the State Program:**

State Aid - Public 23-495-034-5120-078 et. al.

**Criteria or Specific Requirement:**

The Board Secretary's and Treasurer's reports should be presented monthly to the board and submitted to the executive county superintendent within 60 days after month end, and the Treasurer's records should be in agreement with the records of the Board Secretary as prescribed by N.J.S.A.18A:17-9 and 18A:17-36.

**Condition:**

The Board Secretary and Treasurer's reports were filed late to the board and the Treasurer's records were not in agreement with the records of the Board Secretary contrary to the certification in the minutes. The July through September 2022 reports were approved in January 2023. The October 2022 and November 2022 reports were approved in February 2023, and no January 2023 or June 2023 report was submitted.

**Questioned Costs:**

None

**Context:**

The board of education received district financial information seven months late out of the twelve month year and the Treasurer's records were not in agreement with the records of the Board Secretary.

**Effect:**

Accounting and financial records were not maintained in a timely manor or presented to the board of education within sixty days of the end of the month.

**Cause:**

Improper oversight of district personnel.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs -  
(Continued)**

**State Awards - (Continued)**

**Recommendation:**

The board should acknowledge in the minutes receipt or non-receipt of the Board Secretary's and Treasurer's monthly reports and take appropriate action to ensure the board receives timely financial information within sixty days of the end of the month.

**Finding 2023-004**

**Information on the State Program:**

State Aid Cluster 23-495-034-5120-078, et.al.

**Criteria or Specific Requirement:**

Line-item budget transfers must be approved by the Board of Education and should not exceed 10%, on a cumulative basis, of the original budget advertised appropriation accounts identified as general administration, school administration, central services and administrative information technology or other support services, unless approved by the county superintendent. N.J.A.C. 6A:23A-13.3(g)

**Condition:**

Line-item budget transfers were not board approved for the fiscal year and exceeded 10% of the original advertised budget appropriation. Transfers of \$183,001 to General Administration were 95.6% of the amount included in the original budget, transfers of \$88,747 to School Administration were 75.2% of the amount included in the original budget, and transfers of \$52,174 to Central Service were 36.0% of the amount included in the original budget.

**Questioned Costs:**

N/A

**Context:**

The transfers exceeding the administrative limit comprise 3.5% percent of total district original budget appropriations.

**Effect:**

The district transferred unauthorized amounts into budgetary line-items without Board of Education knowledge or required approval. Additionally the statutory transfer limit was exceeded without obtaining department of education approval.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs -  
(Continued)**

**State Awards - (Continued)**

**Cause:**

Lack of controls over the monitoring and approval levels of line-item budget transfers.

**Recommendation:**

Line-item budget transfers must be approved monthly by the Board of Education and Executive County Superintendent approval should be requested for any transfer to an advertised administrative account [general administration (230), school administration (240), central services (251), or administrative information technology (252)] that is cumulatively more than 10 percent of that amount.

**Views of management and planned corrective actions:**

The district understands the statutory approval levels for line-item budget transfers and administrative expenditure statutory limitations and will comply on an on going basis.

**Finding 2023-005**

**Information on the State Program:**

State Aid Cluster 23-495-034-5120-078, et.al.

**Criteria or Specific Requirement:**

Expenditures should be monitored in comparison to the original budgeted appropriations approved by the Board of Education and the New Jersey Department of Education.

**Condition:**

The original budgeted appropriations entered into the accounting system exceeded the approved budgeted appropriations by \$452,297.

**Questioned Costs:**

N/A

**Context:**

Excess budget appropriations of \$452,297 was 4.9% of total district original budget appropriations.



SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs -  
(Continued)**

**State Awards - (Continued)**

**Effect:**

The district's expenditure monitoring was compared to an inflated unauthorized budget exposing the district a possible over-expenditure of the budget.

**Cause:**

Lack of controls over the monitoring of budgetary accounting.

**Recommendation:**

The district should develop controls to ensure the original budgeted appropriations entered into the accounting system equals the budgeted appropriations approved by the Board of Education and the New Jersey Department of Education.

**Views of management and planned corrective actions:**

The district will develop controls to ensure the original budgeted appropriations entered into the accounting system equals the budgeted appropriations approved by the Board of Education and the New Jersey Department of Education.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

In accordance with *government auditing standards*, our procedures included a review of all prior year recommendations. All prior year findings have been corrected except for 2022-005 and 2022-006, which are repeated in the current year as 2023-003 and 2023-004.