



Montville Township Public Schools™

EDUCATE. INSPIRE. EMPOWER.

ANNUAL COMPREHENSIVE FINANCIAL REPORT
for the Fiscal Year Ended June 30, 2023

FOR

MONTVILLE TOWNSHIP
BOARD OF EDUCATION
Montville, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Montville Township Public Schools

Montville, New Jersey

For The Fiscal Year Ended June 30, 2023

Prepared by

Business Office

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Letter of Transmittal	1-3
Organizational Chart	4
Roster of Officials	5
Consultants and Advisors	6

FINANCIAL SECTION

Independent Auditor's Report	7-9
------------------------------	-----

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis	10-14
--------------------------------------	-------

Basic Financial Statements

A. District-Wide Financial Statements

A-1 Statement of Net Position	15
A-2 Statement of Activities	16

B. Fund Financial Statements

Governmental Funds

B-1 Balance Sheet	17
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	18
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19

Proprietary Funds

B-4 Statement of Net Position	20
B-5 Statement of Revenues, Expenses, and Changes in Net Position	21
B-6 Statement of Cash Flows	22

Notes to the Financial Statements	23-64
-----------------------------------	-------

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

C-1 Budgetary Comparison Schedule – General Fund	65-71
C-2 Budgetary Comparison Schedule – Special Revenue Fund	72
C-3 Notes to the Budgetary Comparison Schedule	73

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
TABLE OF CONTENTS**

Page

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	74
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	75
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	76
L-4	Notes to Required Supplementary Information – Net Pension Liability	77

M. Schedules Related to Accounting and Reporting for Post-Employment Benefits Other than Pensions

M-1	Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total OPEB Liability	78
M-2	Notes to Required Supplementary Information – Total OPEB Liability	79

OTHER SUPPLEMENTARY INFORMATION

D. School Level Schedules – Not Applicable

E. Special Revenue Fund

E-1	Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Revenue Fund – Budgetary Basis	80-82
E-2	Preschool Education Aid Schedule of Expenditures – Budgetary Basis – Not Applicable	

F. Capital Projects Fund

F-1	Summary Schedule of Project Expenditures	83
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance	85
F-2a – F-2d	Schedule of Project Revenues, Expenditures, Project Balance and Project Status	85-88

G. Proprietary Funds

Enterprise Fund

G-1	Combining Statement of Net Position	89
G-2	Combining Statement of Revenues, Expenses and Changes in Net Position	90
G-3	Combining Statement of Cash Flows	91

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
TABLE OF CONTENTS**

	<u>Page</u>
H. Fiduciary Funds – Not Applicable	
I. Long-Term Debt	
I-1 Schedule of Serial Bonds Payable	92
I-2 Schedule of Obligations under Capital and other Financing Agreements	93
I-3 Debt Service Fund Budgetary Comparison Schedule	94
I-4 Schedule of Obligations Subscription-Based Information Technology Arrangements – Not Applicable	
 J. STATISTICAL SECTION (Unaudited)	
J-1 Net Position by Component	95
J-2 Changes in Net Position	96-97
J-3 Fund Balances – Governmental Funds	98
J-4 Changes in Fund Balances - Governmental Funds	99
J-5 General Fund Other Local Revenue by Source	100
J-6 Assessed Value and Actual Value of Taxable Property	101
J-5 Direct and Overlapping Property Tax Rates	102
J-8 Principal Property Taxpayers	103
J-9 Property Tax Levies and Collections	104
J-10 Ratios of Outstanding Debt by Type	105
J-11 Ratios of Net General Bonded Debt Outstanding	106
J-12 Direct and Overlapping Governmental Activities Debt	107
J-13 Legal Debt Margin Information	108
J-14 Demographic and Economic Statistics	109
J-15 Principal Employers	110
J-16 Full-Time Equivalent District Employees by Function/Program	111
J-17 Operating Statistics	112
J-18 School Building Information	113
J-19 Schedule of Required Maintenance for School Facilities	114
J-20 Schedule of Insurance	115
 K. SINGLE AUDIT SECTION	
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 Government Auditing Standards – Independent Auditor’s Report	116-117
K-2 Report on Compliance for each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report	118-120
K-3 Schedule of Expenditures of Federal Awards	121
K-4 Schedule of Expenditures of State Financial Assistance	122-123
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	124-125
K-6 Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	126-127
K-6 Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	128
K-6 Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	129
K-7 Summary Schedule of Prior Year Findings	130

INTRODUCTORY SECTION



**Montville Township
Public Schools**
EDUCATE. INSPIRE. EMPOWER.

86 River Road
Montville, NJ 07045
973-331-7100
973-316-4643 (Fax)

Dr. Thomas Gorman
Superintendent of Schools

Katine M. Slunt
School Business Administrator / Board Secretary

Honorable President and Members of the Board of Education
Montville Township Public Schools
86 River Road
Montville, New Jersey 07045

Dear Board Members:

The Annual Comprehensive Financial Report of the Montville Township Public Schools 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 on the management of the Montville Township Public Schools. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information as of June 30, 2023, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities 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 basic financial statements and schedules, as well as the Independent Auditor's Report. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the related Uniform Guidance, and the State Treasury Circular Letter 15-08 OMB, 'Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments.' Information related to this single audit, including the auditor's reports on internal control and compliance with applicable laws and regulations and findings and recommendations are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES: Montville Township Public Schools constitutes an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (G.A.S.B.) . All funds of the entity are included in the report. The Montville Township Public Schools now operates a full range of educational services appropriate to grade levels K through 12. The district completed the 2022-2023 fiscal year with an enrollment of 3,433 students, including out-of-district placements, which is 36 students more than that of the previous year. The following details the changes in student enrollment of the last ten years:

Fiscal Year	Student Enrollment	Percent Change
2022-2023	3433	1.06%
2021-2022	3397	-0.08%
2020-2021	3425	-5.14%
2019-2020	3656	1.60%
2018-2019	3600	- 2.70%
2017-2018	3699	- 1.00%
2016-2017	3734	1.00%
2015-2016	3773	- 2.90%
2014-2015	3886	- 2.40%
2013-2014	3980	- 2.20%

ECONOMIC CONDITION AND OUTLOOK: Montville Township is currently experiencing growth which has affected District enrollment. A demographic study, completed in 2023, forecasts increased enrollment growth. The historical declining enrollment is reversed by rising birth rates and housing turnover throughout the Township, as well as the approval of four new subdivisions by the Township Planning Board.

In addition to enrollment changes, the demand for educational services and the use of facilities continue to increase. In keeping with these demands, the District has expanded into new educational offerings, particularly to students with special needs. The District also completed a facilities assessment in 2023 in which it identified \$145 million in needed repairs to the District's eight buildings. As the District can only complete a limited number of projects in its annual budget, the Board of Education offered a \$17.6 million referendum to the community for vote in September 2017. This referendum passed, which resulted in a new bond issuance in 2018 to fund the proposed repairs. The District offered a second referendum in December 2023 for \$70 million; however, the community did not pass the second referendum. The District has continued to maintain an excellent credit rating; presently, the District is rated AA by Standard & Poor.

The Township's Economic Development Committee continues to attract and retain business in the municipality, matching enterprises looking for a new home with suitable locations in order to add to the strong and diverse business mix in the Township. An attractive location in town has been the redevelopment area around the Towaco train station.

Finally, the Montville Educational Foundation, founded to support the District's educational efforts, supports the educational programs of the District. This Foundation, which consists of community members, enhances the District's programs through grant funds for specific projects.

MAJOR ACCOMPLISHMENTS: Even with overcrowding in the elementary schools, the Montville Township School District continues to offer a robust academic program. Montville Township students continued to score above the State averages on all tests, remaining competitive among their peer schools during the 2022-23 school year and allowing students of all abilities to achieve academic success. Throughout the past school year, many of the schools and programs were recognized at the state and national levels. The District continues its goal to have all of the its schools reach such accolades as places of excellence, where the social, emotional and academic needs of the students are identified and celebrated.

Many more the District's accomplishments and initiatives can be seen at the Montville Township High School. In the 2022-2023 school year, the high school offered 27 Advanced Placement (AP) courses in a variety of academic areas. Over 96% of the 2023 graduates attended two or four year colleges; many were accepted to the highest ranked colleges and universities in the country. In addition to a robust curriculum, Montville Township High School offers students unique learning opportunities. Two such programs are the Science Research Program and the Humanities Research Program. The three-year Science Research Program allows participants to be mentored by a professional research institution. The Humanities Research Program engages students in research in history, literature and the arts, with a focus on creative thinking and leadership development. Beyond academics, the high school offers a multitude of co-curricular and athletic programs such as Forensics, Chinese Studies, Marching and Symphonic Band, Orchestra and Choirs. The athletic program provides participation in a wide range of sports like Football, Tennis, Swimming and Track to students from Grades 9-12. Overall, the Montville Township Public Schools provide options for students at every age level in all seven schools with a comprehensive academic and co-curricular program.

INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse. The controls also ensure that accounting data is properly compiled with reasonable assurance of its accuracy. 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 financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management.

As part of the District's Single Audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

BUDGETARY CONTROLS: In addition to internal accounting controls, the district maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education and the State of New Jersey. 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 project 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions or commitments of fund balance as of June 30, 2023.

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

CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 4. 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 ("G.U.D.P.A."). G.U.D.P.A. 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.

RISK MANAGEMENT: The District is a member of a consortium with several other school districts that provides various coverage's of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The district is a member of the Pooled Insurance Program (the 'Fund'). The Fund is a risk-sharing public entity pool established for the purpose of insuring against workers' compensation claims.

OTHER INFORMATION: The State statutes require an annual audit by independent certified public accountants or registered municipal accountants to be completed for all school districts. The accounting firm of Lerch, Vinci and Bliss, LLP was selected by the Board in 1992 and subsequently has been re-appointed by the Board on an annual basis. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act and the related Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements and combining and individual fund financial statements and schedules is included in the financial section of this report. The auditor's reports related to the single audit are included in the single audit section of this report.

We would like to express our appreciation to the members of the Montville Township 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,



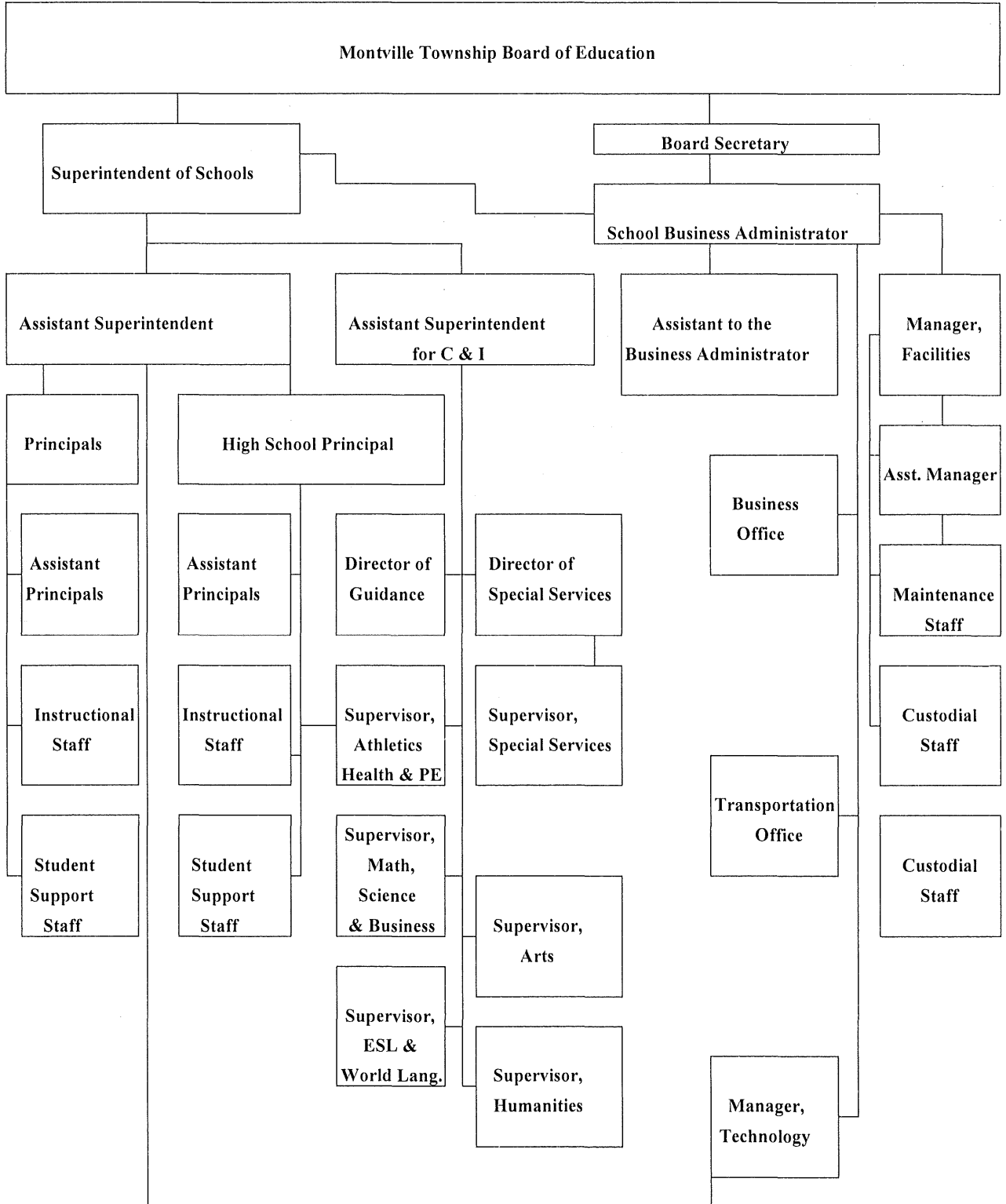
Thomas Gorman
Superintendent of Schools
Montville Township Public Schools



Katine M. Slunt
School Business Administrator/Board Secretary
Montville Township Public Schools

**BOARD OF EDUCATION
MONTVILLE TOWNSHIP
Organizational Chart**

as of June 30, 2023



**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
Roster of Officials**

as of June 30, 2023

Members of the Board of Education		Term Expires
David Modrak	President	2024
Michelle Zuckerman	Vice President	2023
Karen Cortellino	Member	2024
Joseph Daughtry	Member	2023
Christine Fano	Member	2025
Charles Grau	Member	2024
Michael Palma	Member	2023
John Petrozzino	Member	2025
Michael Rappaport	Member	2025

Other Officials

Thomas A. Gorman	Superintendent of Schools
Katine M. Slunt	School Business Administrator/ Board Secretary
Dr. Casey Shorter	Assistant Superintendent of Schools
Andrea Wooding	Assistant Superintendent for Curriculum & Instruction
Board Attorney	The Weiner Group

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
Consultants and Advisors**

as of June 30, 2023

Audit Firm

LERCH, VINCI & BLISS, LLP
17-17 Route 208
Fair Lawn, New Jersey 07410

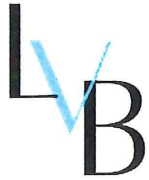
Attorney

WEINER LAW GROUP LLP
629 Parsippany Road
Parsippany, New Jersey 07054

Official Depository

LAKELAND BANK
166 Changebridge Road
P.O. Box 425
Montville, New Jersey 07045

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Montville Township Public Schools
86 River Road
Montville, New Jersey 07045

Report on the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montville Township Public Schools as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 Montville Township Public Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 Montville Township Public Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of 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, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement 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 Montville Township Public Schools' 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 Montville Township Public Schools' 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, pension information and other postemployment benefits information 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 Montville Township Public Schools' basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Montville Township Public Schools. Such information is the responsibility of management and was derived from and relate 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 nonmajor fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

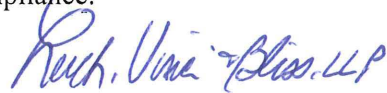
Other Information


Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section 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 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 January 17, 2024 on our consideration of the Montville Township Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Montville Township Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Montville Township Public Schools' internal control over financial reporting and compliance.


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 17, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
Management Discussion and Analysis for the Fiscal Year Ended June 30, 2023
(Unaudited)

The intent of the Management's Discussion and Analysis (M.D. & A.) is to provide an overall explanation of the financial activities and summarize the financial performance of the Montville Township School District for the fiscal year ended June 30, 2023. The financial activity of the district is the numerical representation of the educational, social and recreational programs that occur through out the school year. The Management's Discussion and Analysis explains how these programs, and other financial factors, effect the changes noted in the district's annual financial statements.

The Management's Discussion and Analysis is an element of the Annual Comprehensive Financial Report (A.C.F.R.), as required under the Governmental Accounting Standards Board's (G.A.S.B.) Statement No. 34. The Management Discussion and Analysis is used in conjunction with the district's Basic Financial Statements and Notes.

Overall Explanation of the Financial Statements:

The Annual Comprehensive Financial Report (A.C.F.R.) presents the financial position of the Montville Township Board of Education as of June 30, 2023. The Basic Financial Statements and Notes contain detailed information on this financial activity. These statements are organized in aggregate, or district-wide, in the Statement of Net Position and Statement of Change in Net Position and view the District's financial activities for the entire operating entity. Assets and liabilities are reported using the accrual basis of accounting; revenues are recorded when earned and expenses when incurred, regardless of when cash is received or paid.

The Statement of Net Position and Statement of Change in Net Position report the District's change in net position, which quantifies whether its financial position has improved or diminished during the fiscal year. This provides a longer-term view of the District's financial health. However, factors that effect this change can include non-financial events, such as changes in facility condition, required educational programs and current laws in the State of New Jersey. This is particularly the case with the adoption of the reporting requirements set forth in G.A.S.B. Statement No. 68, *Accounting and Financial Reporting for Pensions* and G.A.S.B. Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in which the long-term liabilities of the State of New Jersey pension and benefit plans are allocated to the local governmental entities. For the District, the liabilities and expenses related to these employee pension and benefit costs are captured on the District's Statement of Net Position and Statements of Change in Net Position, resulting in a negative net position when combined with the positive operating position, as noted below.

In the Statement of Net Position and Statement of Change in Net Position, the District's financial activity is divided into two kinds of activity, Governmental and Business Type. Governmental activities contain most of the District's basic programs and services for the education of the student body. The Business Type activities provide services for a fee, similar to a for-profit entity.

Following, the aggregated statements are more detailed statements by fund. Montville Township Board of Education uses many funds to account for a multitude of financial transactions, including Governmental and Proprietary Funds. Fund financial statements provide the next level of detail, presenting significant funds, like the General Fund, with other non-major funds.

The District's Governmental Funds include the General, Special Revenue, Capital Projects and Debt Service Fund. These funds are reported using a modified-accrual accounting basis, in which cash and all other financial assets are recorded when they can readily be converted to cash, with no capital assets included. The governmental fund statements provide a short-term view of the District's general operations, as well as what remains for future spending; they include the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance. The relationship between the *Governmental Funds* and *Governmental Activities* (as reported in the Statement of Net Position and the Statement of Change in Net Position) are reconciled in the financial statements.

The Proprietary Fund contains services that are provided to customers for a charge based on the services provided, such as the food service and after-care programs. The Proprietary Statements include the Statement of Net Position, State of Revenues, Expense and Changes in Net Position and the Statement of Cash Flows. These transactions are reported on an accrual accounting basis, and are the same for the *Proprietary Fund* and the *Business-Type Activities* (as reported in the Statement of Net Position and the Statement of Change in Net Position).

Notes to the Financial Statements provide additional information that is essential for the full understanding of the data in the government-wide and fund financial statements.

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
Management Discussion and Analysis for the Fiscal Year Ended June 30, 2023
(Unaudited)

Summary of Performance:

The Montville Township Public Schools provide a full range of educational, co-curricular and athletic services for the students of Montville Township from Kindergarten through Grade 12th. The mission of the Montville Township Public Schools strives to develop well-rounded, invested and inspired students by engaging them in an experience of collaboration with educators, parents and community that fosters a culture of innovation, character and inclusivity, in a shared spirit of pride. This mission statement and related core values are the starting point for the district to integrate innovations into its curriculum while providing dynamic experiences in the classrooms that empower its students to learn and succeed. The result of this integration is exemplified in the students' achievements, which are above the state and national averages in academics, co-curriculars and athletics.

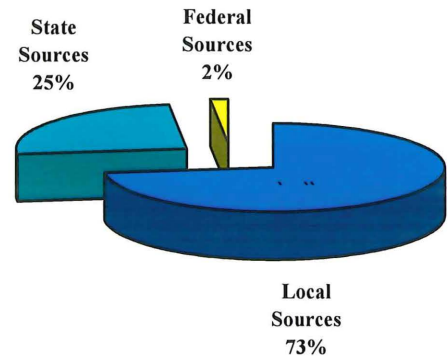
The District's ability to provide these exceptional learning experiences to the students of Montville Township requires strong fiscal management. To that end, the District manages its fiscal spending through the development of an annual budget in accordance with the New Jersey State statutes. This budget guides the district to ensure that annual spending does not exceed the District's resources. As outlined in the State statutes, Montville Township Board of Education applied the 2% tax levy for the 2022-2023 School Budget. Although utilizing the 2% cap, the District was still required to improve its operational efficiency. The District evaluated its academic programs, examined its overhead costs and sought the optimum savings in its purchasing procedures (as allowed by State statute). A large portion of the District's budget related to staffing costs, representing 80% of its annual expenditures; these costs are controlled by collective bargaining agreements between the Board of Education and the District's employee units.

The constant application of the annual budget is a key factor in the District's sound fiscal management. Therefore, throughout the 2022-2023 school year, the annual budget was compared to the District's actual revenues and expenditures to ensure that actual resources equaled those planned and were expended responsibly as proposed. A summary of the district's actual Revenues and Expenditures for the 2022-2023 school year are noted below under *Viewing the Government Funds*.

Viewing the Governmental Funds:

The Governmental Funds provide information on the short-term inflows, outflows and balances of spendable resources that relate to the general operation of the District. As seen in the below schedule, the Governmental Revenues increased by 3.26% from that of the previous year. Increases in Local and State Sources related to small increases in tax levies and additional on-behalf contributions from the State for pension, medical and social security benefits. The increase in Federal Sources related to additional federal funding for pandemic related expenses, during 2022-23.

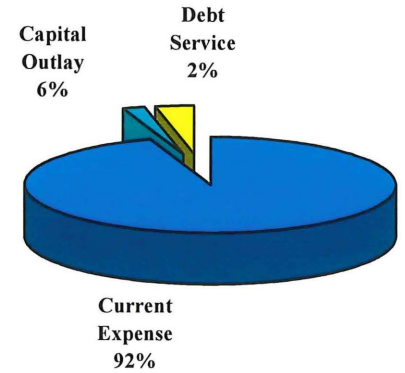
Revenue Source	2023	2022	\$ Variance	% Variance
Local Sources	\$79,590,347	\$77,667,420	\$1,922,927	2.48%
State Sources	27,937,588	26,917,445	1,020,143	3.79%
Federal Sources	2,240,556	1,715,811	524,745	30.58%
TOTAL	\$109,768,491	\$ 106,300,676	\$ 3,467,815	3.26%



As seen in the following schedule, the Governmental Expenditures increased by 7.86% from that of the previous year. Changes in Capital Outlay related to variation in the scope of the capital projects selected. Finally, changes in Debt Service Expenditures were dictated by the repayment schedules for the District's outstanding debt.

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
Management Discussion and Analysis for the Fiscal Year Ended June 30, 2023
(Unaudited)

Expenditure Use	2023	2022	\$ Variance	% Variance
Current				
Instructional	\$63,754,552	\$59,046,828	\$4,707,724	7.97%
Support Services	38,043,737	38,678,287	(634,550)	(1.64)%
Capital Outlay	6,608,197	1,870,315	4,737,882	253.32%
Debt Service:				
Principal	2,087,836	2,728,364	(640,528)	(23.48)%
Interest & Other	602,883	679,154	(76,271)	(11.23)%
TOTAL	\$111,097,205	\$103,002,948	\$8,094,257	7.86%



Viewing the District as a Whole:

The net outcome of the Governmental Funds resulted in a negative net change in fund balance of \$1,171,072; this change is primarily the result of an increase in capital outlay expenditures, which were funded by capital reserve and not by current year revenues. These Governmental Funds are adjusted for assets, deferred outflows/inflows of resources and liabilities in order to conform to the accrual basis of accounting and become Governmental Activities in the year-end financial statements. Combined with the Business-Type Activities, they are presented in the Statement of Net Position and represent the financial position for the District as a whole.

Summary of Net Position	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
Assets				
Current & Other Assets	\$ 17,184,299	\$ 18,878,479	\$ 970,777	\$ 601,621
Capital Assets, net	48,516,130	45,247,730	93,369	101,261
Total Assets	\$ 65,700,429	\$ 64,126,209	\$ 1,064,146	\$ 702,882
Deferred Outflows of Resources	\$ 1,461,760	\$ 1,775,651	\$ 0	\$ 0
Total Assets & Deferred Outflows	\$ 67,162,187	\$ 65,901,860	\$ 1,064,146	\$ 702,882
Liabilities				
Long-Term Liabilities	\$ 31,104,675	\$ 31,175,661	\$ 0	\$ 0
Other Liabilities	2,781,515	3,334,076	111,675	106,861
Total Liabilities	\$ 33,886,190	\$ 34,509,737	\$ 111,675	\$ 106,861
Deferred Inflows of Resources	\$ 3,034,359	\$ 6,584,966	\$ 0	\$ 0
Total Liabilities & Deferred Inflows	\$ 36,920,549	\$ 41,094,703	\$ 111,675	\$ 106,861
Net Position				
Net Investment in Capital Assets	\$30,726,678	\$25,744,416	\$ 93,369	\$ 101,261
Restricted Balances	11,016,728	11,171,893	0	0
Operating Unrestricted (deficit)	(11,501,766)	(12,109,152)	859,102	494,760
Total Net Position	\$ 30,241,640	\$ 24,807,157	\$ 952,471	\$ 596,021

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
Management Discussion and Analysis for the Fiscal Year Ended June 30, 2023
(Unaudited)

As mentioned above, many factors adjusted the Governmental Funds to present them as Governmental Activities on the Statement of New Position, such as the recording of capital assets and their related long-term debt. However, the most impactful factor related to the deferred outflows and liabilities for the implementation of G.A.S.B. Statement No. 68, *Accounting and Financial Reporting for Pensions* and G.A.S.B. Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in which the long-term liabilities of the State pension plans are allocated to the district. Although out of the control of the District's fiscal management, the recording of these outflows and liabilities, without the related assets, resulted in a negative Net Operating Position for the District, as seen above in the Governmental Activities for the 2022 and 2023 year-end. When comparing the two years, the District's Net Position from Governmental Activities improved by 21.91%. As for the Business-Type Activities, which include the District's food service and after-care programs, these saw an increase of 59.80% in their Net Position over the previous year due to restrictions from the pandemic being lifted.

The Statement of Changes in Net Position reflected similar changes from the previous year. For the Governmental Activities, the District's Change in Net Position improved over that from the previous year, as result of the operating changes in the Governmental Funds and Business-Type Activities discussed above.

Summary of Change in Net Position	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
REVENUES				
Program Revenues:				
Charges for Service	\$ 1,296,267	\$ 1,000,148	\$ 2,108,763	\$ 2,021,023
Grants and Contributions	22,618,774	31,448,141	0	0
General Revenues:				
Property Taxes	\$ 77,215,525	\$ 76,402,076	0	0
Grants and Entitlements	288,164	277,229	0	0
Other General Revenues	1,040,705	249,639	4,885	270
Total Revenues	<u>\$ 102,459,435</u>	<u>\$ 109,377,230</u>	<u>\$ 2,113,648</u>	<u>\$ 2,021,293</u>
EXPENSES				
Instruction	\$ 60,595,826	\$ 63,311,458	\$ 0	\$ 0
Support Services:				
Pupil and Instructional Services	14,421,055	19,050,790	0	0
Administration, Operations & Maintenance	15,224,727	14,739,605	0	0
Pupil Transportation	6,148,933	5,136,038	0	0
Interest on Debt	486,342	641,755	0	0
Business-Type Activities	0	0	1,905,267	1,794,318
Total Expenses	<u>\$ 96,876,883</u>	<u>\$ 102,879,646</u>	<u>\$ 1,905,267</u>	<u>\$ 1,794,318</u>
Transfers	(148,069)	(200,000)	148,069	200,000
Increase/(Decrease) in Net Position	<u>\$ 5,434,483</u>	<u>\$ 6,297,584</u>	<u>\$ 356,450</u>	<u>\$ 426,975</u>

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
Management Discussion and Analysis for the Fiscal Year Ended June 30, 2023
(Unaudited)

Viewing Capital Assets at Year-End:

Capital Assets were included in the Statement of Net Position as net values for the Governmental and Business-Type Activities. These balances include are sites, buildings, capital improvements and equipment that are greater than \$2,000. As of June 30, 2023, the district had \$99,665,642 in capital assets, with \$51,149,512 of accumulated depreciation, related to Governmental Activities.

Summary of Capital Assets	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
Sites & Site Improvements, net	\$ 4,920,667	\$ 2,898,965	\$ 0	\$ 0
Construction in Progress			0	0
Buildings & Building Improvements, net	42,359,495	40,770,472	0	0
Machinery & Equipment, net	<u>1,235,968</u>	<u>1,578,293</u>	<u>93,369</u>	<u>101,261</u>
Capital Assets, net	<u>\$ 48,516,130</u>	<u>\$ 45,247,730</u>	<u>\$ 93,369</u>	<u>\$ 101,261</u>

Viewing of Debt Administration:

Long-Term Debt was included in the Statement of Net Position for the Governmental and Business-Type Activities. These balances include compensated absences (\$1,149,333), capital and other financing agreements (\$3,902,712), net pension liabilities (\$11,052,630) and outstanding serial bonds for the District's construction projects (\$15,000,000). For the serial bonds, the related issuance is noted below:

Summary of Outstanding Bonded Debt	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
2016 Refunding Bonds	-	\$ 840,000	0	0
2018 Bond Issuance	\$ 15,000,000	15,660,000	0	0
Plus: Unamortized Premium on Refunding Bonds	<u>-</u>	<u>97,877</u>	<u>0</u>	<u>0</u>
Outstanding Bonded Debt	<u>\$ 15,000,000</u>	<u>\$ 16,597,877</u>	<u>\$ 0</u>	<u>\$ 0</u>

Viewing Future Events:

The District continues to experience an overall decline in student enrollments, a trend forecasted to continue for 5-8 more years. Although addressed by the District, this enrollment decline has not affected the stability of its economic position, and the District continues to maintain healthy fund balances. This stability is largely due to the support of the community; however, possible flat state funding in the future will increase the District's reliance on local taxes and its need to seek alternate funding sources. In response to these challenges, the District continues to review its educational programs to provide the same high quality at lower cost. The Montville Township Board of Education is committed to financial excellence and efficiency; it will continue its financial planning, budgeting and strong internal controls to meet these standards and its future challenges.

Contract the District's Fiscal Management:

The Montville Township Board of Education welcomes inquiries on these financial reports or needs for additional information. Questions should be directed to the district's School Business Administrator, located at 86 River Road, Montville, New Jersey 07045.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 16,319,634	\$ 890,129	\$ 17,209,763
Receivables, net			
Receivables from Other Governments	899,503		899,503
Accounts	12,451	29,087	41,538
Inventories		4,272	4,272
Internal Balances	(47,289)	47,289	
Capital Assets			
Being Depreciated, Net	48,516,130	93,369	48,609,499
	<u>65,700,429</u>	<u>1,064,146</u>	<u>66,764,575</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	1,461,760	-	1,461,760
	<u>1,461,760</u>	<u>-</u>	<u>1,461,760</u>
Total Assets and Deferred Outflows of Resources			
	<u>67,162,189</u>	<u>1,064,146</u>	<u>68,226,335</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	2,207,272	33,091	2,240,363
Payable to Other Governments	18,790		18,790
Unearned Revenue	293,094	78,584	371,678
Accrued Interest Payable	262,359		262,359
Noncurrent Liabilities			
Due Within One Year	1,653,006		1,653,006
Due Beyond One Year	31,104,675		31,104,675
	<u>35,539,196</u>	<u>111,675</u>	<u>35,650,871</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	3,034,359	-	3,034,359
	<u>3,034,359</u>	<u>-</u>	<u>3,034,359</u>
Total Liabilities and Deferred Inflows of Resources			
	<u>38,573,555</u>	<u>111,675</u>	<u>38,685,230</u>
NET POSITION			
Net Investment in Capital Assets	30,726,678	93,369	30,820,047
Restricted for:			
Capital Projects	7,946,338		7,946,338
Maintenance	2,289,014		2,289,014
Other Purposes	781,376		781,376
Unrestricted	(11,501,766)	859,102	(10,642,664)
	<u>\$ 30,241,640</u>	<u>\$ 952,471</u>	<u>\$ 31,194,111</u>

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

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 39,004,386	\$ 212,799	\$ 6,960,149		\$ (31,831,438)		\$ (31,831,438)
Special Education	15,980,446		9,624,815		(6,355,631)		(6,355,631)
Other Instruction	2,500,114		520,515		(1,979,599)		(1,979,599)
School Sponsored Activities and Athletics	3,110,880	737,787	(187,516)		(2,560,609)		(2,560,609)
Support Services							
Student and Instruction Related Svcs.	14,421,055		2,902,243		(11,518,812)		(11,518,812)
General Administrative Services	2,519,400		263,990		(2,255,410)		(2,255,410)
School Administrative Services	3,876,129		740,599		(3,135,530)		(3,135,530)
Plant Operations and Maintenance	6,791,699		165,024	\$ 565,909	(6,060,766)		(6,060,766)
Pupil Transportation	6,148,933	345,681	1,078,356		(4,724,896)		(4,724,896)
Business Services	2,037,499		(112,978)		(2,150,477)		(2,150,477)
Interest on Long-Term debt	486,342		97,668		(388,674)		(388,674)
Total Governmental Activities	<u>96,876,883</u>	<u>1,296,267</u>	<u>22,052,865</u>	<u>565,909</u>	<u>(72,961,842)</u>	<u>-</u>	<u>(72,961,842)</u>
Business-Type Activities							
Food Service	1,203,183	1,087,237				\$ (115,946)	(115,946)
Extended Day Learning Center	702,084	1,021,526	-			319,442	319,442
Total Business-Type Activities	<u>1,905,267</u>	<u>2,108,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,496</u>	<u>203,496</u>
Total Primary Government	<u>\$98,782,150</u>	<u>\$ 3,405,030</u>	<u>\$ 22,052,865</u>	<u>\$ 565,909</u>	<u>(72,961,842)</u>	<u>203,496</u>	<u>(72,758,346)</u>
General Revenues and Transfers:							
Property Taxes - General Purposes					75,597,731		75,597,731
Property Taxes - Debt Service					1,617,794		1,617,794
State Aid - Restricted for Debt Service					288,164		288,164
Investment Earnings					604,848	4,885	609,733
Miscellaneous Income					435,857		435,857
Transfers					(148,069)	148,069	-
Total General Revenues and Transfers					<u>78,396,325</u>	<u>152,954</u>	<u>78,549,279</u>
Change in Net Position					5,434,483	356,450	5,790,933
Net Position, July 1, 2022 (Restated)					24,807,157	596,021	25,403,178
Net Position, June 30, 2023					<u>\$ 30,241,640</u>	<u>\$ 952,471</u>	<u>\$ 31,194,111</u>

FUND FINANCIAL STATEMENTS

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 15,865,335	\$ 383,708	\$ 69,691	\$ 900	\$ 16,319,634
Receivables					
Due From Other Funds	568,288	765		4,801	573,854
Intergovernmental	200,743	698,760			899,503
Other	-	12,451	-	-	12,451
Total Assets	<u>\$ 16,634,366</u>	<u>\$ 1,095,684</u>	<u>\$ 69,691</u>	<u>\$ 5,701</u>	<u>\$ 17,805,442</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 141,805	\$ 41,112			\$ 182,917
Payroll Deductions and Withholding Payable	323,250				323,250
Deposits Payable	1,701,105				1,701,105
Due To Other Funds	50,944	565,398	\$ 4,801		621,143
Payable to Other Governments		18,790			18,790
Unearned Revenue	207,183	85,911			293,094
Total Liabilities	<u>2,424,287</u>	<u>711,211</u>	<u>4,801</u>	<u>-</u>	<u>3,140,299</u>
Fund Balances					
Restricted					
Capital Reserve	5,543,914				5,543,914
Capital Reserve, Designated for Subsequent Year's Budget	2,402,424				2,402,424
Maintenance Reserve	1,789,014				1,789,014
Maintenance Reserve, Designated for Subsequent Year's Budget	500,000				500,000
Unemployment Compensation Reserve	353,818				353,818
Escrow	37,384				37,384
Student Activities and Athletics Scholarship Awards		376,579			376,579
Capital Projects		7,894			7,894
Debt Service			64,890		64,890
Committed				\$ 5,701	5,701
Encumbrances	717,404				717,404
Assigned					
Encumbrances	1,647,408				1,647,408
Designated for Subsequent Year's Budget	1,751,113				1,751,113
Unassigned	(532,400)	-	-	-	(532,400)
Total Fund Balances	<u>14,210,079</u>	<u>384,473</u>	<u>64,890</u>	<u>5,701</u>	<u>14,665,143</u>
Total Liabilities and Fund Balances	<u>\$ 16,634,366</u>	<u>\$ 1,095,684</u>	<u>\$ 69,691</u>	<u>\$ 5,701</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$99,665,642 and the accumulated depreciation is \$51,149,512. 48,516,130

Deferred Inflows and Outflows related to the net pension liability are not reported in the funds. (See Note 2) (1,572,599)

The District has financed capital assets through the issuance of general obligation bonds. The accrued interest at year end is: (262,359)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 2). (31,104,675)

Net Position of Governmental Activities (Exhibit A-1) \$ 30,241,640

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Taxes	\$ 75,597,731			\$ 1,617,794	\$ 77,215,525
Tuition	212,799				212,799
Transportation	345,681				345,681
Interest	600,047		\$ 4,801		604,848
Miscellaneous	435,857	\$ 775,637	-		1,211,494
Total - Local Sources	77,192,115	775,637	4,801	1,617,794	79,590,347
State Sources	27,284,548	267,208		385,832	27,937,588
Federal Sources	166,720	2,073,836	-	-	2,240,556
Total Revenues	104,643,383	3,116,681	4,801	2,003,626	109,768,491
EXPENDITURES					
Current					
Instruction					
Regular Instruction	39,512,671	548,596			40,061,267
Special Education Instruction	16,797,777	747,135			17,544,912
Other Instruction	2,749,437				2,749,437
School Sponsored Activities and Athletics	2,693,360	705,576			3,398,936
Support Services and Undistributed Costs					
Student and Instruction Related Services	15,550,957	422,615			15,973,572
General Administrative Services	2,397,637				2,397,637
School Administrative Services	4,338,192				4,338,192
Plant Operations and Maintenance	6,807,785	94,927			6,902,712
Pupil Transportation	6,161,459				6,161,459
Business/Central Services	2,270,165				2,270,165
Debt Service					
Principal	587,836			1,500,000	2,087,836
Interest and Other Charges	94,483			508,400	602,883
Capital Outlay	5,939,638	565,909	102,650	-	6,608,197
Total Expenditures	105,901,397	3,084,758	102,650	2,008,400	111,097,205
Excess (Deficiency) of Revenues Over Expenditures	(1,258,014)	31,923	(97,849)	(4,774)	(1,328,714)
OTHER FINANCING SOURCES (USES)					
Other Financing Agreement Proceeds	305,711				305,711
Transfers In				4,801	4,801
Transfers Out	(148,069)		(4,801)		(152,870)
Total Other Financing Sources and Uses	157,642	-	(4,801)	4,801	157,642
Net Change in Fund Balances	(1,100,372)	31,923	(102,650)	27	(1,171,072)
Fund Balance, July 1, 2022	15,310,451	352,550	167,540	5,674	15,836,215
Fund Balance, June 30, 2023	\$ 14,210,079	\$ 384,473	\$ 64,890	\$ 5,701	\$ 14,665,143

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

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

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (1,171,072)**

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 and reported as depreciation expense.

Depreciation Expense	\$ (3,339,797)	
Capital Outlay	<u>6,608,197</u>	3,268,400

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions have no effect on net position.

Debt Issued		
Other Financing Agreement	(305,711)	
Principal Repayments		
Serial Bonds	1,500,000	
Capital and Other Financing Agreements	<u>587,836</u>	1,782,125

Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Decrease in Accrued Interest	29,453	
Decrease in Net Pension Liability	1,524,751	
Amortization of Original Issue Premium	97,877	
Amortization of Deferred Amount on Refunding	(10,789)	
Net Increase in Compensated Absences	<u>(86,262)</u>	<u>1,555,030</u>

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 5,434,483**

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2023**

	Business- Type Activities Enterprise Funds <hr/> Non - Major
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 890,129
Receivables	
Other	29,087
Due from Other Funds	51,621
Inventory	4,272
	<hr/>
Total Current Assets	975,109
	<hr/>
Capital Assets	
Furniture, Machinery and Equipment	377,035
Less: Accumulated Depreciation	(283,666)
	<hr/>
Total Capital Assets, Net	93,369
	<hr/>
Total Assets	1,068,478
	<hr/>
LIABILITIES	
Current Liabilities	
Accounts Payable	31,956
Accrued Salaries and Wages	1,135
Due to Other Funds	4,332
Unearned Revenue	78,584
	<hr/>
Total Current Liabilities	116,007
	<hr/>
NET POSITION	
Investment in Capital Assets	93,369
Unrestricted	859,102
	<hr/>
Total Net Position	\$ 952,471
	<hr/> <hr/>

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

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Business-Type Activities Enterprise Fund Non-Major</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	\$ 1,071,648
Special Functions	15,589
Program Fees	<u>1,021,526</u>
Total Operating Revenues	<u>2,108,763</u>
OPERATING EXPENSES	
Salaries and Wages	1,110,416
Management Fee	27,149
Other Purchased Services	24,760
Supplies and Materials	45,073
Utilities	161,666
Miscellaneous	45,450
Cost of Sales	478,783
Depreciation	<u>11,970</u>
Total Operating Expenses	<u>1,905,267</u>
Operating Income	<u>203,496</u>
NONOPERATING REVENUES	
Interest Income	<u>4,885</u>
Total Nonoperating Revenues	<u>4,885</u>
Income Before Transfers	208,381
Transfer in	<u>148,069</u>
Change in Net Position	356,450
Net Position, July 1, 2022	<u>596,021</u>
Net Position, June 30, 2023	<u><u>\$ 952,471</u></u>

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

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Business-Type Activities Enterprise Funds Non-Major</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from Customers	\$ 2,099,468
Payments for Employees Salaries and Benefits	(1,109,281)
Payments to Suppliers for Goods and Services	<u>(788,812)</u>
Net Cash Provided by (Used for) Operating Activities	<u>201,375</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Receipts from Other Funds	<u>33,776</u>
Net Cash Provided by Non-Capital Financing Activities	<u>33,776</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	<u>(4,078)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(4,078)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	<u>4,885</u>
Net Cash Provided By Investing Activities	<u>4,885</u>
Net Change in Cash and Cash Equivalents	235,958
Cash and Cash Equivalents, July 1, 2022	<u>654,171</u>
Cash and Cash Equivalents, June 30, 2023	<u>\$ 890,129</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	<u>\$ 203,496</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	11,970
Change in Assets and Liabilities	
(Increase) / Decrease in Accounts Receivable	(24,246)
Increase / (Decrease) in Accounts Payable	(12,484)
Increase / (Decrease) in Unearned Revenue	14,951
(Increase) / Decrease in Inventory	<u>7,688</u>
Total Adjustments	<u>(2,121)</u>
Net Cash Provided by Operating Activities	<u>\$ 201,375</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Montville Township Public Schools (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Montville Township Public Schools this includes general operations, food service, extended day learning and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government’s financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government’s SBITA activities and evaluate a government’s obligations and assets resulting from SBITAs.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently, the Board does not have any Fiduciary Funds.

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid, and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from athletic events or other activities of pupil organizations and private donation for scholarship awards.

The *capital projects fund* accounts for the proceeds from the sale of bonds, financing agreements, grants and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following non-major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for administrators, teachers and special events.

The *Montville Extended Day Learning Center (MEDLC) fund* accounts for the activities of the District's after school child care program.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt, acquisitions under financing agreements, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software assets are reported as other financing sources.

Property taxes, tuition, transportation fees, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. Receivables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. Inventories

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Site Improvements	20
Buildings	40-50
Right-to-use Leased Buildings	3-5
Building Improvements	20
Heavy Equipment	10
Office Equipment and Furniture	10
Computer Equipment	5
Right-to-use Leased Equipment	5-10
Right-to-use IT Software	2-5

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the difference on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

6. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation, personal and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds do not permit the accrual of unused vacation, personal and sick leave. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. *Pensions*

In the district-wide financial statements and proprietary fund types in the fund financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

8. *Leases*

Non-cancellable leases for the use of buildings and equipment are recognized as a lease liability and an intangible right-to-use lease asset in the district-wide and proprietary fund type financial statements. The District recognizes lease liabilities with an initial, individual value of \$2,000 or more. The lease liability is subsequently reduced by the principal portion of lease payments made each year. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the asset's useful life. Leases are monitored for changes in circumstances that would require a remeasurement of the lease and the lease assets and liabilities are remeasured if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

In the fund financial statements leases payable are recognized as other financing sources at the initial amount of the lease liability. Intangible right-to-use leased assets are reported as capital outlay expenditures.

9. *Financing Agreements*

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

10. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Differences resulting from debt refundings are classified as deferred inflows of resources or as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures.

Capital Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education.

Maintenance Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

11. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District’s election for payment in lieu of contributions (benefit reimbursement method).

Escrow – This restriction was created to represent accumulated funds required to be held in escrow by the District for costs related to the administrative office building.

Student Activities and Athletics – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

Scholarship Awards – This restriction was created to represent the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee’s for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Designated for Subsequent Year’s Budget – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (special revenue, capital projects and debt service fund types), it is the District’s policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

12. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Board of Education itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

12. Fund Balance Policies (Continued)

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Board of Education for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

2. Property Taxes

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. Tuition Revenues and Expenditures

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2021/2022 and 2022/2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the district-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details are as follows:

Bonds Payable	\$ 15,000,000
Capital Financing Agreements	2,854,342
Other Financing Agreements	1,048,370
Compensated Absences	1,149,333
Net Pension Liability	<u>11,052,630</u>
	<u>\$ 31,104,675</u>

Another element of that reconciliation states that “deferred inflows and outflows related to net pension liability are not reported in the fund”. The details are as follows:

Deferred Outflows of Resources	
Deferred Amount on Net Pension Liability	\$ 1,461,760
Deferred Inflows of Resources	
Deferred Amount on Net Pension Liability	<u>(3,034,359)</u>
	<u>\$ (1,572,599)</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year's general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November do not have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2022/2023. Also, during 2022/2023 the Board increased the original General Fund budget by \$3,148,333 and Special Revenue Fund budget by \$1,305,622. The increase was funded by additional grant awards and the reappropriation of prior year encumbrances.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$532,400 in the General Fund as of June 30, 2023 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2022/2023 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity (Continued)

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$532,400 in the General Fund is less than the delayed state aid payments at June 30, 2023.

C. Capital Reserve

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve 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. 6:23A-14.1(g), the balance in the reserve 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 fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$ 7,841,716
Increased by:		
Interest Earned	\$ 1,500	
Deposits Approved by Board Resolution	<u>3,539,322</u>	
		<u>3,540,822</u>
		11,382,538
Withdrawals		
Approved in District Budget		<u>(3,436,200)</u>
Balance, June 30, 2023		<u>\$ 7,946,338</u>

The LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$34,301,344.

\$2,402,424 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve 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. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$ 2,576,014
Increased by:		
Interest Earned	\$ 1,000	
Unexpended Budgeted Withdrawal	20,000	
Deposit by Board Resolution	<u>100,000</u>	
		<u>121,000</u>
		2,697,014
Withdrawals		
Approved in District Budget		<u>(408,000)</u>
Balance, June 30, 2023		<u>\$ 2,289,014</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$3,167,919.

\$500,000 of the maintenance reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee’s salary or funds which may pass to the local government upon the happening of a future condition.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2023, the book value of the Board's deposits was \$17,209,763 and bank and brokerage firm balances of the Board's deposits amounted to \$20,936,713. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 18,549,376
Uninsured and Collateralized	<u>2,387,337</u>
	<u>\$ 20,936,713</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2023 the Board's bank balance of \$2,387,337 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	<u>\$ 2,387,337</u>
--	---------------------

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2023, the Board had no outstanding investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

Referendum investment and interest earnings in the Capital Projects Fund are assigned to the Debt Service Fund in accordance with Board policy.

B. Receivables

Receivables as of June 30, 2023 for the district’s individual major and nonmajor funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts		\$ 12,451	29,087	\$ 41,538
Intergovernmental				
Federal		495,114		495,114
State	\$ 200,743	203,646	-	404,389
Gross Receivables	200,743	711,211	29,087	941,041
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 200,743</u>	<u>\$ 711,211</u>	<u>\$ 29,087</u>	<u>\$ 941,041</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

General Fund	
Prepayment of Subscription Busing Fees	\$ 2,150
Prepayment of Tuition Fees	205,033
Special Revenue Fund	
Unencumbered Grant Draw Downs	44,486
Grant Draw Downs Reserved for Encumbrances	41,425
Total Unearned Revenue for Governmental Funds	<u>\$ 293,094</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	Adjustments/ <u>Decreases</u>	Balance, <u>June 30, 2023</u>
Governmental Activities:				
Capital Assets, Being Depreciated:				
Buildings	\$ 81,681,141	\$ 4,192,844		\$ 85,873,985
Improvements Other Than Buildings	5,788,695	2,290,704		8,079,399
Machinery and Equipment	<u>5,587,609</u>	<u>124,649</u>	<u>-</u>	<u>5,712,258</u>
Total Capital Assets Being Depreciated	<u>93,057,445</u>	<u>6,608,197</u>	<u>-</u>	<u>99,665,642</u>
Less Accumulated Depreciation for:				
Buildings	(40,910,669)	(2,603,821)		(43,514,490)
Improvements Other Than Buildings	(2,889,730)	(269,002)		(3,158,732)
Machinery and Equipment	<u>(4,009,316)</u>	<u>(466,974)</u>	<u>-</u>	<u>(4,476,290)</u>
Total Accumulated Depreciation	<u>(47,809,715)</u>	<u>(3,339,797)</u>	<u>-</u>	<u>(51,149,512)</u>
Total Capital Assets, Being Depreciated, Net	<u>45,247,730</u>	<u>3,268,400</u>	<u>-</u>	<u>48,516,130</u>
Governmental Activities Capital Assets, Net	<u>\$ 45,247,730</u>	<u>\$ 3,268,400</u>	<u>\$ -</u>	<u>\$ 48,516,130</u>
	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 372,957	\$ 4,078	-	\$ 377,035
Total Capital Assets Being Depreciated	<u>372,957</u>	<u>4,078</u>	<u>-</u>	<u>377,035</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(271,696)</u>	<u>\$ (11,970)</u>	<u>-</u>	<u>(283,666)</u>
Total Accumulated Depreciation	<u>(271,696)</u>	<u>(11,970)</u>	<u>-</u>	<u>(283,666)</u>
Total Capital Assets, Being Depreciated, Net	<u>101,261</u>	<u>(7,892)</u>	<u>-</u>	<u>93,369</u>
Business-Type Activities Capital Assets, Net	<u>\$ 101,261</u>	<u>\$ (7,892)</u>	<u>\$ -</u>	<u>\$ 93,369</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:

Instruction		
Regular		\$ 2,962,301
School Sponsored Co-Curricular Activities		11,779
Total Instruction		<u>2,974,080</u>
Support Services		
Student and Instruction Related		2,057
General Administration		287,249
School Administration		2,193
Operations and Maintenance of Plant		74,218
Total Support Services		<u>365,717</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 3,339,797</u>

Business-Type Activities:

Food Service Fund		<u>\$ 11,970</u>
Total Depreciation Expense-Business-Type Activities		<u>\$ 11,970</u>

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2023:

<u>Project</u>	<u>Remaining Commitment</u>	<u>Status</u>
Cedar Hill Gym Façade	\$ 127,905	Open
Phase II Unit Ventilator Replacements at Valley View School	209,698	Open
Cedar Hill, William Mason and Woodmont Gym Façade and Woodmont Window Renovations	143,509	Open

The District has the following other significant commitments as of June 30, 2023:

<u>Project</u>	<u>Remaining Commitment</u>	<u>Status</u>
Laptop and Desktop Purchases	\$ 1,037,750	Open
Phone System	118,220	Open
8-Passenger School Bus	103,137	Open

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 564,633
Food Service Fund	General Fund	50,944
General Fund	MEDLC Fund	3,655
Debt Service Fund	Capital Projects Fund	4,801
MEDLC Fund	Food Service Fund	<u>677</u>
		<u>\$ 624,710</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

Interfund Transfers

<u>Transfer Out:</u>	<u>Transfer In:</u>		
	<u>Debt Service</u>	<u>Food Service</u>	<u>Total</u>
General Fund		\$ 148,069	\$ 148,069
Capital Projects Fund	\$ 4,801	<u>-</u>	<u>4,801</u>
Total Transfers Out	<u>\$ 4,801</u>	<u>\$ 148,069</u>	<u>\$ 152,870</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance energy savings improvements under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District's approved budget.

Capital financing agreements at June 30, 2023 are comprised of the following:

\$2,435,000, fiscal year 2019 Agreement for Energy Savings Improvements - Phase I for a term of 15 years due in semi-annual principal installments of \$50,000 to \$105,000 through June 20, 2035 interest at 2.6465%	\$ 1,810,000
\$1,260,000, fiscal year 2020 Agreement for Energy Savings Improvements - Phase II for a term of 15 years due in semi-annual principal installments of \$36,993 to \$49,662 through June 29, 2035 interest at 2.37%	<u>1,044,342</u>
Total	<u>\$ 2,854,342</u>

Other Financing Agreements

The District entered into the following agreements to finance the purchase of certain equipment that does not meet the threshold of a capital asset and therefore are classified as expendable supplies. The repayments under these financing agreements are subject to the annual appropriation of funds in the District's approved budget.

Other financing agreements at June 30, 2023 are comprised of the following:

\$519,682 fiscal year 2020 agreement for the purchase of computers for a term of 54 months due in semi-annual principal installments of \$52,215 to \$53,867 through March 30, 2024	\$ 107,178
\$471,141 fiscal year 2020 agreement for the purchase of computers for a term of 5 years due in annual principal installments of \$94,196 to \$97,741 through April 30, 2025	193,692
\$400,624 fiscal year 2021 agreement for the purchase of computers for a term of 4 years due in annual principal installments of \$99,532 to \$102,014 through July 17, 2024	198,298

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements (Continued)

Other Financing Agreements (Continued)

\$303,200 fiscal year 2022 agreement for the purchase of computers for a term of 5 years due in annual principal installments of \$59,709 to \$63,202 through August 30, 2026.	\$ 243,491
 \$305,711 fiscal year 2023 agreement for the purchase of computers for a term of 5 years due in annual principal installments of \$57,348 to \$65,631 through August 2027.	<u>305,711</u>
	<u>\$ 1,048,370</u>

The maturity schedule of the remaining capital and other financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	<u>Capital Agreements</u>		<u>Other Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 231,199	\$ 71,212	\$ 421,807	\$ 23,299	\$ 747,517
2025	178,015	65,624	315,294	16,473	575,406
2026	189,875	61,052	123,191	10,215	384,333
2027	201,780	56,170	122,447	10,960	391,357
2028	213,730	50,978	65,631	3,669	334,008
2029-2033	1,249,556	166,085			1,415,641
2034-2035	<u>590,187</u>	<u>19,115</u>	<u>-</u>	<u>-</u>	<u>609,302</u>
Total	<u>\$ 2,854,342</u>	<u>\$ 490,236</u>	<u>\$ 1,048,370</u>	<u>\$ 64,616</u>	<u>\$ 4,457,564</u>

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2023 are comprised of the following issues:

\$17,604,000, 2018 Bonds, due in annual installments of \$1,000,000 through February 1, 2038, interest at 3% to 3.25%	<u>\$15,000,000</u>
---	---------------------

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 1,000,000	\$ 455,000	\$ 1,455,000
2025	1,000,000	425,000	1,425,000
2026	1,000,000	395,000	1,395,000
2027	1,000,000	365,000	1,365,000
2028	1,000,000	335,000	1,335,000
2029-2033	5,000,000	1,225,000	6,225,000
2034-2038	<u>5,000,000</u>	<u>471,250</u>	<u>5,471,250</u>
	<u>\$ 15,000,000</u>	<u>\$ 3,671,250</u>	<u>\$ 18,671,250</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 207,166,593
Less: Net Debt Issued and Authorized But Not Issued	<u>(15,001,887)</u>
Remaining Borrowing Power	<u>\$ 192,164,706</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	Balance, <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2023</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 16,500,000		\$ 1,500,000	\$ 15,000,000	\$ 1,000,000
Add: Premium	<u>97,877</u>	<u>-</u>	<u>97,877</u>	<u>-</u>	<u>-</u>
 Total Bonds Payable	 16,597,877	 -	 1,597,877	 15,000,000	 1,000,000
 Capital Financing Agreements	 3,083,766		 229,424	 2,854,342	 231,199
Other Financing Agreements	1,101,071	\$ 305,711	358,412	1,048,370	421,807
Net Pension Liability	9,329,876	1,722,754	-	11,052,630	
Compensated Absences	<u>1,063,071</u>	<u>159,264</u>	<u>73,002</u>	<u>1,149,333</u>	<u>-</u>
 Governmental Activity Long-Term Liabilities	 <u>\$ 31,175,661</u>	 <u>\$ 2,187,729</u>	 <u>\$ 2,258,715</u>	 <u>\$ 31,104,675</u>	 <u>\$ 1,653,006</u>

For the governmental activities, the liabilities for compensated absences, capital and other financing agreements and net pension liability are generally liquidated by the general fund.

NOTE 5 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The District is a member of the Pooled Insurance Program (the "Fund"). The Fund is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the Fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

The Fund provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the insurance fund are on file with the School's Business Administrator.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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 restricted fund balance for unemployment compensation claims in the Current Fund for the current and previous two years:

<u>Fiscal Year Ended</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	NONE	\$ 76,651		\$ 353,818
2022	NONE	74,113		341,224
2021	NONE	110,982	\$ 36,403	340,164

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2023, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2023, District has not estimated its arbitrage earnings due to the IRS, if any.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A, to provide coverage to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Annual Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PERS:

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

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

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

The following represent the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits (“Division”), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91% . The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2023.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2023 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2023	\$ 923,567	\$ 13,472,766	\$ 23,013
2022	922,757	13,428,635	24,061
2021	821,085	9,618,278	20,379

In addition for fiscal years 2022/2023, 2021/2022 and 2020/2021 the State contributed \$4,844, \$5,426 and \$6,397, respectively, for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,738,723 during the fiscal year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2021 through June 30, 2022. Employer allocation percentages have been rounded for presentation purposes.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2022 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$11,052,630 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The District’s proportionate share of the net pension liability was based on the ratio of the District’s share of total contributions to the pension plan relative to the contributions of all participating governmental entities for the year ended June 30, 2022. At June 30, 2022, the District’s proportionate share was .07323 percent, which was a decrease of .00552 percent from its proportionate share measured as of June 30, 2021 of .07875 percent.

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$601,184 for PERS. The pension contribution made by the District during the current 2022/2023 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 79,773	\$ 70,348
Changes of Assumptions	34,245	1,655,016
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	457,458	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>890,284</u>	<u>1,308,995</u>
Total	<u>\$ 1,461,760</u>	<u>\$ 3,034,359</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2023, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (918,841)
2024	(707,633)
2025	(327,020)
2026	388,950
2027	(8,055)
Thereafter	<u>-</u>
	<u>\$ (1,572,599)</u>

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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 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.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans 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 the 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>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS 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 in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>14,199,392</u>	\$ <u>11,052,630</u>	\$ <u>8,374,609</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2022. A sensitivity analysis specific to the District's net pension liability at June 30, 2022 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2021 through June 30, 2022. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2021, the State's pension contribution was more than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,466,469 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2023 the State's proportionate share of the net pension liability attributable to the District is \$165,960,798. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2022. At June 30, 2022, the state's share of the net pension liability attributable to the District was .32166 percent, which was a decrease of .00304 percent from its proportionate share measured as of June 30, 2021 of .32470 percent.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

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

Mortality Rates

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

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

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the 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>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for TPAF 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.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 7.00%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 194,592,562</u>	<u>\$ 165,960,798</u>	<u>\$ 141,842,134</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2022. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2022 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2021:

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

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the June 30, 2021 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.33 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2023, 2022 and 2021 were \$3,539,263, \$3,137,472 and \$3,014,219, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2021 through June 30, 2022. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District’s proportionate share percentage determined under Statement No. 75 is zero percent and the State’s proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$5,236,504. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2023 the State’s proportionate share of the OPEB liability attributable to the District is \$130,356,312. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state’s share of the OPEB liability attributable to the District was .25738 percent, which was a decrease of .00169 percent from its proportionate share measured as of June 30, 2021 of .25907 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 4.25% Based on Years of Service

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) 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 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

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

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 4.5% 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%.

Discount Rate

The discount rate for June 30, 2022 was 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.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2021 Measurement Date	\$ 155,464,872
Changes Recognized for the Fiscal Year:	
Service Cost	8,073,937
Interest on the Total OPEB Liability	3,454,586
Differences Between Expected and Actual Experience	1,644,262
Changes of Assumptions	(34,969,250)
Gross Benefit Payments	109,775
Contributions from the Member	(3,421,870)
Net Changes	<u>\$ (25,108,560)</u>
Balance, June 30, 2022 Measurement Date	<u>\$ 130,356,312</u>

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

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.54%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

	1% Decrease <u>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 153,220,133</u>	<u>\$ 130,356,312</u>	<u>\$ 112,032,103</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1%</u> <u>Decrease</u>	Healthcare Cost Trend <u>Rates</u>	<u>1%</u> <u>Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 107,747,460</u>	<u>\$ 130,356,312</u>	<u>\$ 160,054,413</u>

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022 were not provided by the pension system.

NOTE 6 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board’s operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the “Plan”), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$1,747,230 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final To Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 75,597,731		\$ 75,597,731	\$ 75,597,731	
Tuition from Individuals	250,000		250,000	212,799	\$ (37,201)
Transportation Revenue	364,000		364,000	345,681	(18,319)
Interest Earned on Capital Reserve	1,500		1,500	1,500	
Interest Earned on Maintenance Reserve	1,000		1,000	1,000	
Interest Earned on Investments	30,000		30,000	597,547	567,547
Unrestricted Miscellaneous Revenues	402,500	-	402,500	435,857	33,357
Total Local Sources	<u>76,646,731</u>	<u>-</u>	<u>76,646,731</u>	<u>77,192,115</u>	<u>545,384</u>
State Sources					
Special Education Aid	3,369,797		3,369,797	3,369,797	
Security Aid	70,614		70,614	70,614	
Transportation Aid	1,018,949		1,018,949	1,018,949	
Extraordinary Aid	1,800,000		1,800,000	2,762,394	962,394
Non Public Transportation Reimbursement				65,002	65,002
On Behalf TPAF Contributions (Non-Budgeted)					
Pension Contribution				13,288,404	13,288,404
Non Contributory Insurance				184,362	184,362
Post Retirement Medical Contribution				3,539,263	3,539,263
Long Term Disability Insurance				4,844	4,844
Social Security Contribution	-	-	-	2,738,723	2,738,723
Total State Sources	<u>6,259,360</u>	<u>-</u>	<u>6,259,360</u>	<u>27,042,352</u>	<u>20,782,992</u>
Federal Sources					
FEMA - Disaster Recovery Assistance				155,630	155,630
FFCRA/SEMI				829	829
Medicaid Reimbursement	38,991	-	38,991	10,261	(28,730)
Total Federal Sources	<u>38,991</u>	<u>-</u>	<u>38,991</u>	<u>166,720</u>	<u>127,729</u>
Total Revenues	<u>82,945,082</u>	<u>-</u>	<u>82,945,082</u>	<u>104,401,187</u>	<u>21,456,105</u>
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	494,714	\$ (2,508)	492,206	469,499	22,707
Kindergarten	1,324,995	(147,630)	1,177,365	1,094,778	82,587
Grades 1-5	8,316,926	(326,862)	7,990,064	7,902,439	87,625
Grades 6-8	5,416,012	(259,956)	5,156,056	5,099,184	56,872
Grades 9-12	7,342,125	(55,944)	7,286,181	7,186,934	99,247
Regular Programs - Home Instruction					
Salaries of Teachers	15,000	175	15,175	7,661	7,514
Purchased Professional/Educational Services	31,120	(1,706)	29,414	24,011	5,403
General Supplies	100	(100)			
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	233,549	41,371	274,920	274,329	591
Purchased Professional/Educational Services	16,600	(14,616)	1,984	1,984	1,984
Purchased Technical Services	894,857	107,997	1,002,854	874,571	128,283
Other Purchased Services	987,628	(171,227)	816,401	638,799	177,602
General Supplies	640,960	1,256,507	1,897,467	734,664	1,162,803
Textbooks	68,700	226,573	295,273	287,958	7,315
Other Objects	7,100	746	7,846	6,396	1,450
Acquisition Under Other Financing Agreements (Non-Budget)	-	-	-	305,711	(305,711)
Total Regular Programs	<u>25,790,386</u>	<u>652,820</u>	<u>26,443,206</u>	<u>24,906,934</u>	<u>1,536,272</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final To Actual</u>
EXPENDITURES					
CURRENT					
Special Education					
Cognitive Mild					
Salaries of Teachers	\$ 228,556	\$ 9,889	\$ 238,445	\$ 163,003	\$ 75,442
Other Salaries for Instruction	148,031	1,176	149,207	51,715	97,492
General Supplies	<u>3,000</u>	<u>27,414</u>	<u>30,414</u>	<u>14,865</u>	<u>15,549</u>
Total Cognitive Mild	<u>379,587</u>	<u>38,479</u>	<u>418,066</u>	<u>229,583</u>	<u>188,483</u>
Learning and/or Language Disabilities					
Salaries of Teachers	660,047	(40,189)	619,858	594,089	25,769
Other Salaries for Instruction	220,992	59,690	280,682	241,947	38,735
General Supplies	<u>6,200</u>	<u>900</u>	<u>7,100</u>	<u>4,253</u>	<u>2,847</u>
Total Learning and/or Language Disabilities	<u>887,239</u>	<u>20,401</u>	<u>907,640</u>	<u>840,289</u>	<u>67,351</u>
Emotional Regulation Impairment					
Salaries of Teachers	228,036	(10,619)	217,417	215,950	1,467
Other Salaries of Instruction	114,204	(17,742)	96,462	90,029	6,433
General Supplies	<u>3,400</u>	<u>-</u>	<u>3,400</u>	<u>1,843</u>	<u>1,557</u>
Total Behavioral Disabilities	<u>345,640</u>	<u>(28,361)</u>	<u>317,279</u>	<u>307,822</u>	<u>9,457</u>
Multiple Disabilities					
Salaries of Teachers	269,403	(126,271)	143,132	116,695	26,437
Other Salaries of Instruction	305,160	121,599	426,759	382,080	44,679
General Supplies	<u>3,400</u>	<u>261</u>	<u>3,661</u>	<u>2,507</u>	<u>1,154</u>
Total Multiple Disabilities	<u>577,963</u>	<u>(4,411)</u>	<u>573,552</u>	<u>501,282</u>	<u>72,270</u>
Resource Room/Resource Center					
Salaries of Teachers	5,401,718	(57,501)	5,344,217	5,246,606	97,611
Other Salaries for Instruction	1,261,376	(107,444)	1,153,932	1,051,031	102,901
General Supplies	<u>17,000</u>	<u>(261)</u>	<u>16,739</u>	<u>11,791</u>	<u>4,948</u>
Total Resource Room	<u>6,680,094</u>	<u>(165,206)</u>	<u>6,514,888</u>	<u>6,309,428</u>	<u>205,460</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	88,589	(38,242)	50,347	48,182	2,165
Other Salaries for Instruction	147,992	204,999	352,991	347,516	5,475
General Supplies	<u>-</u>	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total Preschool Disabilities - Full-Time	<u>236,581</u>	<u>166,857</u>	<u>403,438</u>	<u>395,698</u>	<u>7,740</u>
Home Instruction					
Salaries of Teachers	60,000	(27,097)	32,903	28,215	4,688
Other Salaries for Instruction	10,000	(9,135)	865	-	865
Purchased Professional/Educational Services	82,000	(36,488)	45,512	33,853	11,659
General Supplies	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total Home Instruction	<u>152,100</u>	<u>(72,720)</u>	<u>79,380</u>	<u>62,068</u>	<u>17,312</u>
Total Special Education	<u>9,259,204</u>	<u>(44,961)</u>	<u>9,214,243</u>	<u>8,646,170</u>	<u>568,073</u>
Basic Skills/Remedial					
Salaries of Teachers	1,238,207	(52,755)	1,185,452	1,151,497	33,955
General Supplies	16,900	(5,780)	11,120	787	10,333
Textbooks	<u>3,750</u>	<u>(1,500)</u>	<u>2,250</u>	<u>-</u>	<u>2,250</u>
Total Basic Skills/Remedial	<u>1,258,857</u>	<u>(60,035)</u>	<u>1,198,822</u>	<u>1,152,284</u>	<u>46,538</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXPENDITURES	Original Budget	Budget Adjustments	Final Budget	Actual	Variance - Final To Actual
CURRENT					
Bilingual Education					
Salaries of Teachers	\$ 449,028	\$ 46,345	\$ 495,373	\$ 492,324	\$ 3,049
General Supplies	15,500	(5,529)	9,971	5,252	4,719
Textbooks	12,000	(4,161)	7,839	5,665	2,174
Other Objects	7,000	-	7,000	7,000	-
Total Bilingual Education	483,528	36,655	520,183	510,241	9,942
School Sponsored Co-Curricular Activities					
Salaries	451,034	579	451,613	390,097	61,516
Purchased Services	2,250	(2,250)	-	-	-
Supplies and Materials	16,800	(6,000)	10,800	5,815	4,985
Other Objects	54,750	28,701	83,451	75,726	7,725
Total School Sponsored Co-Curricular Activities	524,834	21,030	545,864	471,638	74,226
School Sponsored Athletics - Instruction					
Salaries	1,013,566	(10,189)	1,003,377	976,797	26,580
Purchased Services	333,800	(82,833)	250,967	241,670	9,297
Supplies and Materials	94,000	(15,956)	78,044	76,293	1,751
Other Objects	32,995	(4,895)	28,100	23,157	4,943
Total School Sponsored Athletics - Instruction	1,474,361	(113,873)	1,360,488	1,317,917	42,571
Total - Instruction	38,791,170	491,636	39,282,806	37,005,184	2,277,622
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's - Within the State - Special	528,866	(26,528)	502,338	440,026	62,312
Tuition to County Vocational School District - Regular	875,662	(99,253)	776,409	769,767	6,642
Tuition to County Vocational School District - Special	63,000	(55,689)	7,311	6,631	680
Tuition to APSSD Within the State	2,901,139	(799,084)	2,102,055	2,033,708	68,347
Total Undistributed Expenditures - Instruction	4,368,667	(980,554)	3,388,113	3,250,132	137,981
Attendance and Social Work Services					
Salaries	91,627	-	91,627	91,627	-
Total Attendance and Social Work Services	91,627	-	91,627	91,627	-
Health Services					
Salaries	880,738	(23,175)	857,563	844,051	13,512
Purchased Professional Technical Services	38,110	(13,000)	25,110	22,801	2,309
Other Purchased Services	2,500	(1,300)	1,200	698	502
Supplies and Materials	11,100	(579)	10,521	9,770	751
Other Objects	595	99	694	694	-
Total Health Services	933,043	(37,955)	895,088	878,014	17,074
Speech, OT, PT and Related Services					
Salaries	1,832,725	(238,648)	1,594,077	1,542,266	51,811
Purchased Professional/Educational Services	254,853	32,249	287,102	233,793	53,309
Supplies and Materials	6,250	1,948	8,198	6,094	2,104
Total Speech, OT, PT and Related Services	2,093,828	(204,451)	1,889,377	1,782,153	107,224
Other Support Services - Students - Extra.Serv.					
Salaries	213,269	123,286	336,555	272,518	64,037
Purchased Professional/Educational Services	762,600	(57,644)	704,956	681,418	23,538
Total Other Support Services - Students - Extra Services	975,869	65,642	1,041,511	953,936	87,575

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXPENDITURES	Original Budget	Budget Adjustments	Final Budget	Actual	Variance - Final To Actual
CURRENT					
Undistributed Expenditures (Continued)					
Guidance					
Salaries of Other Professional Staff	\$ 1,995,499	\$ 5,562	\$ 2,001,061	\$ 1,965,130	\$ 35,931
Salaries of Secretaries and Clerical Assistants	166,194		166,194	166,194	
Purchased Professional - Educational Services	55,765	(10,345)	45,420	25,151	20,269
Supplies and Materials	9,750	(200)	9,550	6,140	3,410
Other Objects	3,560	(2,500)	1,060	845	215
Total Guidance	2,230,768	(7,483)	2,223,285	2,163,460	59,825
Child Study Teams					
Salaries of Other Professional Staff	1,921,095	9,584	1,930,679	1,862,906	67,773
Salaries of Secretaries and Clerical Assistants	192,187	10,243	202,430	196,213	6,217
Other Purchased Professional and Technical Services	643,560	(335,901)	307,659	271,595	36,064
Other Purchased Services	7,000	2,055	9,055	4,857	4,198
Supplies and Materials	18,050	(6,256)	11,794	11,420	374
Other Objects	5,900	(1,191)	4,709	2,734	1,975
Total Child Study Teams	2,787,792	(321,466)	2,466,326	2,349,725	116,601
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	831,651	25,318	856,969	855,279	1,690
Salaries of Secretaries and Clerical Assistants	47,218		47,218	47,218	
Other Salaries	34,500	(3,500)	31,000	16,000	15,000
Other Purchased Services	5,750	(2,777)	2,973	2,478	495
Other Objects	9,400	(899)	8,501	8,015	486
Total Improvement of Instruction Services	928,519	18,142	946,661	928,990	17,671
Educational Media Services/School Library					
Salaries	653,520	10,600	664,120	663,418	702
Purchased Professional and Technical Services	83,000	(16,665)	66,335	65,816	519
Supplies and Materials	32,250	(2,107)	30,143	27,091	3,052
Total Educational Media Services/School Library	768,770	(8,172)	760,598	756,325	4,273
Instructional Staff Training Services					
Purchased Professional -Education Services	35,000	(24,619)	10,381	8,283	2,098
Other Purchased Services	3,010	128	3,138	533	2,605
Supplies and Materials	1,500	-	1,500	982	518
Other Objects	16,000	(10,338)	5,662	1,550	4,112
Total Instructional Staff Training Services	55,510	(34,829)	20,681	11,348	9,333
Support Services - General Administration					
Salaries	875,823	33,275	909,098	907,264	1,834
Legal Services	56,600	29,258	85,858	85,858	
Audit Fees	43,000	(7,030)	35,970	35,970	
Architectural/Engineering Services		473,464	473,464	351,329	122,135
Communications/Telephone	13,400	(1,175)	12,225	10,869	1,356
Miscellaneous Purchased Services	295,252	(65,650)	229,602	227,659	1,943
General Supplies	4,500	45,465	49,965	48,714	1,251
Judgments Against the School Entity	81,445		81,445	81,445	
Misc. Expenditures	69,500	(18,613)	50,887	48,636	2,251
Total Support Services - General Administration	1,439,520	488,994	1,928,514	1,797,744	130,770

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXPENDITURES	Original Budget	Budget Adjustments	Final Budget	Actual	Variance - Final To Actual
CURRENT					
Undistributed Expenditures (Continued)					
Support Services - School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	\$ 1,756,752		\$ 1,756,752	\$ 1,752,078	\$ 4,674
Salaries of Other Professional Staff	165,946		165,946	164,237	1,709
Salaries of Secretarial and Clerical Assistants	658,676	\$ (8,488)	650,188	628,928	21,260
Purchased Professional and Technical Services	1,440		1,440	-	1,440
Other Purchased Services	11,600	(4,964)	6,636	3,642	2,994
Supplies and Materials	88,600	25,688	114,288	93,128	21,160
Other Objects	17,700	(1,477)	16,223	13,237	2,986
Total Support Services - School Administration	2,700,714	10,759	2,711,473	2,655,250	56,223
Central Services					
Salaries	557,732	28,732	586,464	583,164	3,300
Purchased Technical Services	74,200	(29,483)	44,717	44,124	593
Other Purchased Services	31,500	(4,127)	27,373	25,418	1,955
Supplies and Materials	13,600	(1,041)	12,559	11,859	700
Miscellaneous Expenditures	2,000	1,068	3,068	3,068	-
Total Central Services	679,032	(4,851)	674,181	667,633	6,548
Administrative Information Technology					
Salaries	712,803	(5,874)	706,929	692,404	14,525
Other Purchased Services	16,600	29,892	46,492	46,472	20
Supplies and Materials	-	32,410	32,410	20,238	12,172
Total Admin. Info. Tech.	729,403	56,428	785,831	759,114	26,717
Required Maintenance for School Facilities					
Salaries	719,207	44,520	763,727	760,370	3,357
Cleaning, Repair and Maintenance Services	255,800	219,687	475,487	309,876	165,611
General Supplies	117,100	33,169	150,269	143,162	7,107
Other Objects	1,975	2,577	4,552	4,221	331
Total Required Maintenance For School Facilities	1,094,082	299,953	1,394,035	1,217,629	176,406
Custodial Services					
Salaries	288,009	(12,497)	275,512	255,149	20,363
Purchased Professional and Technical Services	2,764,623	42,055	2,806,678	2,798,424	8,254
Cleaning, Repair and Maintenance Services	134,550	29,138	163,688	158,879	4,809
Rental of Land and Bldg. Oth. Than Lease Purchase	32,000	(14,403)	17,597	17,577	20
Other Purchased Property Services	81,400	(25,575)	55,825	52,259	3,566
Insurance	343,219	84,991	428,210	428,210	
General Supplies	162,500	20,665	183,165	175,907	7,258
Energy (Natural Gas)	360,354	20,999	381,353	354,868	26,485
Energy (Electricity)	918,949	(319,427)	599,522	528,939	70,583
Other Objects	1,600	(160)	1,440	1,100	340
Total Custodial Services	5,087,204	(174,214)	4,912,990	4,771,312	141,678
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	5,000	43,535	48,535	41,785	6,750
General Supplies	27,000	17,620	44,620	44,620	-
Total Care and Upkeep of Grounds	32,000	61,155	93,155	86,405	6,750
Security					
Purchased Professional and Technical Services	118,781	(11,678)	107,103	105,810	1,293
General Supplies	4,000	-	4,000	-	4,000
Total Care and Upkeep of Grounds	122,781	(11,678)	111,103	105,810	5,293

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance - Final To Actual
EXPENDITURES					
CURRENT					
Undistributed Expenditures (Continued)					
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	\$ 74,338	\$ (4,977)	\$ 69,361	\$ 68,667	\$ 694
Management Fee - ESC and CTSA Transportation Program	4,000	(28)	3,972	3,972	
Contracted Services - Aid In Lieu Payments - Non-Public School	270,000	(84,500)	185,500	185,500	
Contracted Services (Between Home and School) - Vendors	2,930,737	(250,247)	2,680,490	2,680,490	
Contracted Services (Other Than Between Home and School) - Vendors	371,340	19,685	391,025	374,648	16,377
Contracted Services (Special Ed Students) - Vendors	2,363,065	431,159	2,794,224	2,794,224	
Contracted Services (Special Ed Students) - Joint Agreements	12,000	(12,000)			
Miscellaneous Purchased Services - Transportation	3,625	2,170	5,795	5,795	
Other Objects	4,200	(1,440)	2,760	2,760	-
Total Student Transportation Services	6,033,305	99,822	6,133,127	6,116,056	17,071
Unallocated Benefits - Employee Benefits					
Social Security Contributions	864,284	(27,192)	837,092	794,796	42,296
Other Retirement Contributions - PERS	1,040,000	(116,434)	923,566	923,566	
Other Retirement Contributions - Regular	30,000	(6,987)	23,013	23,013	
Unemployment		100,000	100,000	76,651	23,349
Workmen's Compensation	276,591	(67,971)	208,620	208,620	
Health Benefits	9,173,870	22,898	9,196,768	9,196,768	-
Tuition Reimbursement	255,000	(83,585)	171,415	168,629	2,786
Other Employee Benefits	644,500	(82,012)	562,488	562,488	-
Total Unallocated Benefits	12,284,245	(261,283)	12,022,962	11,954,531	68,431
On Behalf TPAF Payments (Non-Budgeted)					
Pension Contribution				13,288,404	(13,288,404)
Non Contributory Insurance				184,362	(184,362)
Post Retirement Medical Contribution				3,539,263	(3,539,263)
Long Term Disability Insurance				4,844	(4,844)
Social Security Contribution	-	-	-	2,738,723	(2,738,723)
Total On-Behalf Payments	-	-	-	19,755,596	(19,755,596)
Total Undistributed Expenditures	45,436,679	(946,041)	44,490,638	63,052,790	(18,562,152)
Interest Earned on Maintenance Reserve	1,000	-	1,000	-	1,000
Total Current Expenditures	84,228,849	(454,405)	83,774,444	100,057,974	(16,283,530)
CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 6-8		10,662	10,662	4,043	6,619
Other Instruction		23,345	23,345	23,345	
Cognitive - Mild		18,000	18,000	16,770	1,230
Undistributed Expenditures					
Instruction		2,831	2,831	2,785	46
General Administration		3,000	3,000		3,000
School Administration		25,132	25,132	25,083	49
Central Services		33,296	33,296		33,296
Operations and Maintenance of Plant		62,352	62,352	52,621	9,731
Transportation	-	103,137	103,137	-	103,137
Total Equipment	-	281,755	281,755	124,647	157,108

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance - Final To Actual
EXPENDITURES (Continued)					
CAPITAL OUTLAY (Continued)					
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	\$ 227,000	\$ 27,434	\$ 254,434	\$ 60,320	\$ 194,114
Other Purchased Professional and Technical Services	1,264,200	513,344	1,777,544	1,749,544	28,000
Construction Services	2,353,000	2,581,963	4,934,963	3,764,958	1,170,005
Construction Services (Non-budget)		40,000	40,000	4,687	35,313
Assessment for Debt Service on SDA Funding	31,043	-	31,043	31,043	-
Total Facilities Acquisition and Construction Services	<u>3,875,243</u>	<u>3,162,741</u>	<u>7,037,984</u>	<u>5,610,552</u>	<u>1,427,432</u>
Interest Deposit to Capital Reserve	1,500	-	1,500	-	1,500
Assets Acquired Under Capital Lease (Non-budget)	-	-	-	-	-
Total Capital Outlay	<u>3,876,743</u>	<u>3,444,496</u>	<u>7,321,239</u>	<u>5,735,199</u>	<u>1,586,040</u>
Transfer to Charter Schools	77,590	30,886	108,476	108,224	252
Total Expenditures - General Fund	<u>88,183,182</u>	<u>3,020,977</u>	<u>91,204,159</u>	<u>105,901,397</u>	<u>(14,697,238)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,238,100)</u>	<u>(3,020,977)</u>	<u>(8,259,077)</u>	<u>(1,500,210)</u>	<u>6,758,867</u>
Other Financing Sources					
Other Financing Agreement Proceeds				305,711	305,711
Transfer to Food Service Enterprise Fund	(60,000)	(127,356)	(187,356)	(148,069)	39,287
Total Other Financing Sources	<u>(60,000)</u>	<u>(127,356)</u>	<u>(187,356)</u>	<u>157,642</u>	<u>344,998</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	<u>(5,298,100)</u>	<u>(3,148,333)</u>	<u>(8,446,433)</u>	<u>(1,342,568)</u>	<u>7,103,865</u>
Fund Balances, July 1, 2022	<u>18,736,885</u>	<u>-</u>	<u>18,736,885</u>	<u>18,736,885</u>	<u>-</u>
Fund Balances, June 30, 2023	<u>\$ 13,438,785</u>	<u>\$ (3,148,333)</u>	<u>\$ 10,290,452</u>	<u>\$ 17,394,317</u>	<u>\$ 7,103,865</u>
Recapitulation of Fund Balance:					
Restricted:					
Capital Reserve				\$ 5,543,914	
Capital Reserve - Designated for Subsequent Year's Budget				2,402,424	
Maintenance Reserve				1,789,014	
Maintenance Reserve - Designated for Subsequent Year's Budget				500,000	
Capital Lease Obligations					
Unemployment Compensation Reserve				353,818	
Escrow				37,384	
Excess Surplus					
Excess Surplus- Designated for Subsequent Year's Budget					
Committed:					
Encumbrances				717,404	
Assigned:					
Encumbrances				1,647,408	
Designated for Subsequent Year's Budget				1,751,113	
Unassigned				<u>2,651,838</u>	
Reconciliation to Governmental Funds Statements (GAAP):				17,394,317	
Less: State Aid Not Recognized on GAAP Basis				<u>(3,184,238)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 14,210,079</u>	

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 43,569	\$ 49,256	\$ 92,825	\$ 785,637	\$ 692,812
State Sources	198,326	305,615	503,941	191,322	(312,619)
Federal Sources	1,428,755	950,751	2,379,506	1,875,952	(503,554)
Total Revenues	<u>1,670,650</u>	<u>1,305,622</u>	<u>2,976,272</u>	<u>2,852,911</u>	<u>(123,361)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	197,035	101,387	298,422	257,309	41,113
Other Salaries		4,000	4,000	4,000	
Other Purchased Services	130,984	352,092	483,076	353,040	130,036
Tuition	539,133	40,614	579,747	579,747	
General Supplies	192,548	380	192,928	112,249	80,679
Textbooks	11,464	2,330	13,794	12,469	1,325
Other Objects	61		61	61	
Student Activities and Athletics (Non-Budget)	-	-	-	705,576	(705,576)
Total Instruction	<u>1,071,225</u>	<u>500,803</u>	<u>1,572,028</u>	<u>2,024,451</u>	<u>(452,423)</u>
Support Services					
Salaries	144,775	(105,722)	39,053	34,941	4,112
Personal Services - Employee Benefits	35,816	8,834	44,650	42,546	2,104
Purchased Prof./Educational Services	236,631	372,198	608,829	272,844	335,985
Other Purchased Services	141,515	(56,525)	84,990	71,536	13,454
Supplies and Materials	40,688	(856)	39,832	248	39,584
Scholarship Awards (Non-budget)	-	2,700	2,700	500	2,200
Total Support Services	<u>599,425</u>	<u>220,629</u>	<u>820,054</u>	<u>422,615</u>	<u>397,439</u>
Facilities and Acquisition Construction Svcs.					
Equipment - Non Instructional	-	584,190	584,190	373,922	210,268
Total Facilities and Acquisition Construction Svcs.	<u>-</u>	<u>584,190</u>	<u>584,190</u>	<u>373,922</u>	<u>210,268</u>
Total Expenditures	<u>1,670,650</u>	<u>1,305,622</u>	<u>2,976,272</u>	<u>2,820,988</u>	<u>155,284</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	-	-	-	31,923	31,923
Fund Balances, July 1, 2022	-	-	-	352,550	-
Fund Balances, June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 384,473</u>	<u>\$ 31,923</u>
Recapitulation of Fund Balance:					
Restricted:					
Student Activities and Athletics				\$ 376,579	
Scholarships				7,894	
				<u>384,473</u>	

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual revenues (budgetary basis) (Exhibits C-1 and C-2)	\$ 104,401,187	\$ 2,852,911
Difference - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the supplies are received for financial reporting purposes		
Encumbrances, June 30, 2022		305,195
Encumbrances, June 30, 2023		(41,425)
2022/2023 State Aid recognized for budgetary purposes, not recognized for GAAP statements	(3,184,238)	
2021/2022 State Aid recognized for GAAP purposes, not recognized for budgetary statements	<u>3,426,434</u>	<u>-</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 104,643,383</u>	<u>\$ 3,116,681</u>
Uses/Outflows of Resources		
Actual expenditures (budgetary basis) (Exhibits C-1 and C-2)	\$ 105,901,397	\$ 2,820,988
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the supplies are received for financial reporting purposes		
Encumbrances, June 30, 2022		305,195
Encumbrances, June 30, 2023	<u>-</u>	<u>(41,425)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 105,901,397</u>	<u>\$ 3,084,758</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III
PENSION AND OTHER POST-EMPLOYMENT BENEFITS INFORMATION

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Ten Fiscal Years*

	<u>2023</u>	<u>2021</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 Position Liability (Asset)	0.73230%	0.07875%	0.07505%	0.08001%	0.07726%	0.06723%	0.07010%	0.06755%	0.06063%	0.05438%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 11,052,630	\$ 9,329,876	\$ 12,239,808	\$ 14,418,133	\$ 15,213,348	\$ 15,651,046	\$ 20,763,330	\$ 15,164,540	\$ 11,353,116	\$ 10,394,920
District's Covered-Employee Payroll	\$ 5,464,365	\$ 5,430,519	\$ 5,453,573	\$ 5,229,580	\$ 5,533,397	\$ 5,677,955	\$ 4,395,390	\$ 4,707,825	\$ 4,399,532	\$ 3,973,738
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	198%	172%	224%	276%	275%	276%	472%	322%	258%	262%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.59%	48.10%	40.14%	47.92%	52.08%	48.72%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

**Last Ten Fiscal Years
 (Dollar amounts in thousands)**

	<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	\$ 923,567	\$ 922,757	\$ 821,085	\$ 778,349	\$ 768,550	\$ 622,853	\$ 622,810	\$ 580,784	\$ 500,916	\$ 409,814
Contributions in Relation to the Contractually Required Contribution	<u>923,567</u>	<u>922,757</u>	<u>821,085</u>	<u>778,349</u>	<u>768,550</u>	<u>622,853</u>	<u>622,810</u>	<u>580,784</u>	<u>500,916</u>	<u>409,814</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	\$ 5,584,710	\$ 5,464,365	\$ 5,430,519	\$ 5,453,573	\$ 5,229,580	\$ 5,533,397	\$ 5,677,955	\$ 4,395,390	\$ 4,707,825	\$ 4,399,532
Contributions as a Percentage of Covered-Employee Payroll	16.54%	16.89%	15.12%	14.27%	14.70%	11.26%	10.97%	13.21%	10.64%	9.31%

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*

	<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 Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 165,960,798</u>	<u>\$ 156,101,107</u>	<u>\$ 217,902,213</u>	<u>\$ 205,020,546</u>	<u>\$ 209,094,360</u>	<u>\$ 220,230,825</u>	<u>\$ 254,647,090</u>	<u>\$ 203,237,190</u>	<u>\$ 167,054,854</u>	#####
Total	<u>\$ 165,960,798</u>	<u>\$ 156,101,107</u>	<u>\$ 217,902,213</u>	<u>\$ 205,020,546</u>	<u>\$ 209,094,360</u>	<u>\$ 220,230,825</u>	<u>\$ 254,647,090</u>	<u>\$ 203,237,190</u>	<u>\$ 167,054,854</u>	#####
District's Covered-Employee Payroll	\$ 38,254,403	\$ 37,166,365	\$ 36,283,511	\$ 35,389,943	\$ 35,368,758	\$ 35,783,808	\$ 33,482,709	\$ 33,462,833	\$ 32,580,046	\$ 31,155,372
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.48%	25.41%	22.33%	28.74%	33.64%	33.76%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 5D.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 8,073,937	\$ 9,380,507	\$ 5,467,005	\$ 5,319,417	\$ 5,832,649	\$ 7,145,316
Interest on Total OPEB Liability	3,454,586	4,032,923	3,906,703	4,675,198	5,068,972	4,322,819
Changes of Benefit Terms		(165,473)				
Differences Between Expected and Actual Experience	1,644,262	(27,456,585)	31,526,962	(17,870,523)	(14,627,073)	
Changes of Assumptions	(34,969,250)	153,378	27,009,422	1,604,286	(13,434,829)	(18,133,585)
Contribution from the Member	109,775	103,102	91,073	97,908	108,196	121,684
Gross Benefit Payments	<u>(3,421,870)</u>	<u>(3,176,813)</u>	<u>(3,004,717)</u>	<u>(3,302,919)</u>	<u>(3,130,518)</u>	<u>(3,304,602)</u>
Net Change in Total OPEB Liability	(25,108,560)	(17,128,961)	64,996,448	(9,476,633)	(20,182,603)	(9,848,368)
Total OPEB Liability - Beginning of Year	<u>155,464,872</u>	<u>172,593,833</u>	<u>107,597,385</u>	<u>117,074,018</u>	<u>137,256,621</u>	<u>147,104,989</u>
Total OPEB Liability - End of Year	<u>\$ 130,356,312</u>	<u>\$ 155,464,872</u>	<u>\$ 172,593,833</u>	<u>\$ 107,597,385</u>	<u>\$ 117,074,018</u>	<u>\$ 137,256,621</u>
District's Proportionate Share of OPEB Liability	-	-	-	-	-	-
State's Proportionate Share of OPEB Liability	<u>\$ 130,356,312</u>	<u>\$ 155,464,872</u>	<u>\$ 172,593,833</u>	<u>\$ 107,597,385</u>	<u>\$ 117,074,018</u>	<u>\$ 137,256,621</u>
Total OPEB Liability - End of Year	<u>\$ 130,356,312</u>	<u>\$ 155,464,872</u>	<u>\$ 172,593,833</u>	<u>\$ 107,597,385</u>	<u>\$ 117,074,018</u>	<u>\$ 137,256,621</u>
District's Covered-Employee Payroll	<u>\$ 43,718,768</u>	<u>\$ 42,596,884</u>	<u>\$ 41,737,084</u>	<u>\$ 40,619,523</u>	<u>\$ 40,902,155</u>	<u>\$ 41,461,763</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%

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

*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 5E.

SCHOOL LEVEL SCHEDULES

EXHIBITS D-1, D-2 AND D-3

NOT APPLICABLE

SPECIAL REVENUE FUND

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ESEA				IDEA, Part B					Total Page 3	Total Page 2	Total	
	Title I	Title II-A	Title III	Title IV	Basic	ARP Basic	Preschool	ARP Preschool	ASCERS				
REVENUES													
Intergovernmental											\$ 191,322	\$ 191,322	
State											-	\$ 547,932	
Federal	\$ 143,559	\$ 50,385	\$ 13,926	\$ 18,000	\$ 721,900	\$ 29,936	\$ 25,235	\$ 12,208	\$ 312,871		-	1,875,952	
Other	-	-	-	-	-	-	-	-	-		785,637	785,637	
Total Revenues	<u>143,559</u>	<u>50,385</u>	<u>13,926</u>	<u>18,000</u>	<u>721,900</u>	<u>29,936</u>	<u>25,235</u>	<u>12,208</u>	<u>312,871</u>		<u>976,959</u>	<u>547,932</u>	<u>2,852,911</u>
EXPENDITURES													
Instruction													
Salaries of Teachers	103,040				8,055						-	146,214	257,309
Other Salaries											4,000		4,000
Other Purchased Services				16,500					312,871		23,669		353,040
Tuition					556,145		23,602						579,747
General Supplies	9,037		11,542		18,444		1,633	12,208			59,385		112,249
Textbooks											12,469		12,469
Other Objects											61		61
Student Activities and Athletics	-	-	-	-	-	-	-	-	-		705,576	-	705,576
Total Instruction	<u>112,077</u>	<u>-</u>	<u>11,542</u>	<u>16,500</u>	<u>582,644</u>	<u>-</u>	<u>25,235</u>	<u>12,208</u>	<u>312,871</u>		<u>805,160</u>	<u>146,214</u>	<u>2,024,451</u>
Support Services													
Salaries		11,550			10,900	4,893						7,598	34,941
Personal Services Employee-Benefits	29,869	800										11,877	42,546
Purchased Prof./Ed. Serv.	1,613	9,222		1,500	111,954	25,043					20,264	103,248	272,844
Supplies and Materials			248										248
Other Purchased Services		28,813	2,136		16,402						24,185		71,536
Scholarship Awards	-	-	-	-	-	-	-	-	-		500	-	500
Total Support Services	<u>31,482</u>	<u>50,385</u>	<u>2,384</u>	<u>1,500</u>	<u>139,256</u>	<u>29,936</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>44,949</u>	<u>122,723</u>	<u>422,615</u>
Facilities and Acquisition Construction Svcs.													
Equipment - Non Instructional	-	-	-	-	-	-	-	-	-		94,927	278,995	373,922
Total Facilities and Acquisition Construction Svcs.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>94,927</u>	<u>278,995</u>	<u>373,922</u>
Total Expenditures	<u>143,559</u>	<u>50,385</u>	<u>13,926</u>	<u>18,000</u>	<u>721,900</u>	<u>29,936</u>	<u>25,235</u>	<u>12,208</u>	<u>312,871</u>		<u>945,036</u>	<u>547,932</u>	<u>2,820,988</u>
Excess of Revenues Over Expenditures	-	-	-	-	-	-	-	-	-		31,923	-	31,923
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-		352,550	-	352,550
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 384,473</u>	<u>\$ -</u>	<u>\$ 384,473</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ESSER II			E.S.S.E.R III			Total Page 2
	CRRSA	Learning Accerleration	Mental Health	ARP	Learning Support	Summer Learning	
REVENUES							
Intergovernmental							\$ -
State							
Federal	\$ 8,134	\$ 1,793	\$ 7,298	\$ 374,945	\$ 87,807	\$ 35,930	\$ 32,025
Other	-	-	-	-	-	-	-
Total Revenues	<u>8,134</u>	<u>1,793</u>	<u>7,298</u>	<u>374,945</u>	<u>87,807</u>	<u>35,930</u>	<u>32,025</u>
EXPENDITURES							
Instruction							
Salaries of Teachers	34	505			82,807	33,375	29,493
Other Salaries							
Other Purchased Services							
Tuition							
General Supplies							
Textbooks							
Other Objects							
Student Activities and Athletics	-	-	-	-	-	-	-
Total Instruction	<u>34</u>	<u>505</u>	<u>-</u>	<u>-</u>	<u>82,807</u>	<u>33,375</u>	<u>29,493</u>
Support Services							
Salaries	7,560	38					
Personal Services Employee-Benefits	540	1,250			5,000	2,555	2,532
Purchased Prof./Ed. Serv.			7,298	95,950			
Supplies and Materials							
Other Purchased Services							
Scholarship Awards	-	-	-	-	-	-	-
Total Support Services	<u>8,100</u>	<u>1,288</u>	<u>7,298</u>	<u>95,950</u>	<u>5,000</u>	<u>2,555</u>	<u>2,532</u>
Facilities and Acquisition Construction Svcs.							
Equipment - Non Instructional	-	-	-	278,995	-	-	-
Total Facilities and Acquisition Construction Svcs.	<u>-</u>	<u>-</u>	<u>-</u>	<u>278,995</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>8,134</u>	<u>1,793</u>	<u>7,298</u>	<u>374,945</u>	<u>87,807</u>	<u>35,930</u>	<u>32,025</u>
Excess of Revenues Over Expenditures	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Student Activities/ Athletics		NJ Nonpublic Aid				Nonpublic Handicapped Services			School Security Grant Alyssa's Law	Other Local Programs	Total Page 3
	Scholarship		Nursing	Textbooks	Security	Technology	Exam and Class	Corrective Speech	Supplemental Instruction			
REVENUES												
Intergovernmental												
State			\$ 20,264	\$ 12,469	\$ 31,701	\$ 7,776	\$ 11,598	\$ 11,718	\$ 869	\$ 94,927		\$ 191,322
Other	\$ 737,787	\$ 212	-	-	-	-	-	-	-	-	\$ 47,638	785,637
Total Revenues	<u>737,787</u>	<u>212</u>	<u>20,264</u>	<u>12,469</u>	<u>31,701</u>	<u>7,776</u>	<u>11,598</u>	<u>11,718</u>	<u>869</u>	<u>94,927</u>	<u>47,638</u>	<u>976,959</u>
EXPENDITURES												
Instruction												
Salaries of Teachers												-
Other Salaries											4,000	4,000
Purchased Professional Services												-
Other Purchased Services											23,669	23,669
General Supplies					31,701	7,776					19,908	59,385
Textbooks				12,469								12,469
Other Objects											61	61
Student Activities and Athletics	705,576	-	-	-	-	-	-	-	-	-	-	705,576
Total Instruction	<u>705,576</u>	<u>-</u>	<u>-</u>	<u>12,469</u>	<u>31,701</u>	<u>7,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,638</u>	<u>805,160</u>
Support Services												
Purchased Prof. and Ed. Serv.			20,264									20,264
Other Purchased Services							11,598	11,718	869			24,185
Supplies and Materials												-
Scholarship Awards	-	500	-	-	-	-	-	-	-	-	-	500
Total Support Services	<u>-</u>	<u>500</u>	<u>20,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,598</u>	<u>11,718</u>	<u>869</u>	<u>-</u>	<u>-</u>	<u>44,949</u>
Facilities and Acquisition Construction Svcs.												
Equipment - Non Instructional	-	-	-	-	-	-	-	-	-	94,927	-	94,927
Total Facilities and Acquisition Construction Svcs.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,927</u>	<u>-</u>	<u>94,927</u>
Total Expenditures	<u>705,576</u>	<u>500</u>	<u>20,264</u>	<u>12,469</u>	<u>31,701</u>	<u>7,776</u>	<u>11,598</u>	<u>11,718</u>	<u>869</u>	<u>94,927</u>	<u>47,638</u>	<u>945,036</u>
Excess of Revenues Over Expenditures	32,211	(288)	-	-	-	-	-	-	-	-	-	31,923
Fund Balance, Beginning of Year	344,368	8,182	-	-	-	-	-	-	-	-	-	352,550
Fund Balance, End of Year	\$ 376,579	\$ 7,894	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 384,473

CAPITAL PROJECTS FUND

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Project Description</u>	<u>Appropriation</u>	<u>Interest on Lease Proceeds</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2023</u>
			<u>Prior Years</u>	<u>Current Year</u>	
2017 Referendum					
District-Wide HVAC Renovations and Control Upgrades, District-Wide Restroom Renovations, Roof Replacement at Montville High, Lazar Middle and William Mason Schools and mMdia Center Renovations at all Elementary Schools and Lazar Middle School.	\$ 11,172,832		\$ 11,172,086		\$ 746
District-wide all Purpose Room/Gymnasium Renovations	3,014,355		2,897,685	\$ 101,550	15,120
District-wide HVAC Improvements and Upgrades	3,418,700		3,367,789		50,911
2018 Energy Savings Improvement Program	<u>3,695,000</u>	<u>\$ 15,803</u>	<u>3,709,703</u>	<u>1,100</u>	<u>-</u>
	<u>\$ 21,300,887</u>	<u>\$ 15,803</u>	<u>\$ 21,147,263</u>	<u>\$ 102,650</u>	<u>\$ 66,777</u>
					Project Balances, June 30, 2023 \$ 66,777
					Less:
					Debt Authorized but Not Issued <u>(1,887)</u>
					Fund Balances, June 30, 2023 <u>\$ 64,890</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Revenues and Other Financing Sources

Interest Earnings	
Bond Referendum	\$ 4,801
	4,801
Total Revenues and Other Financing Sources	4,801

Expenditures and Other Financing Uses

Expenditures	
Purchased Professional and Technical Services	2,000
Construction Services	99,550
Other Objects	1,100
Other Financing Uses	
Transfer to Debt Service Fund	4,801
Total Expenditures and Other Financing Uses	107,451

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(102,650)
---	-----------

Fund Balance July 1, 2022	167,540
---------------------------	---------

Fund Balance June 30, 2023	\$ 64,890
----------------------------	-----------

Recapitulation of Fund Balance:

Year End Encumbrances	\$ 50,908
Restricted for Capital Projects	13,982
	\$ 64,890

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
2017 REFERENDUM - DISTRICT-WIDE HVAC RENOVATIONS AND CONTROL UPGRADES,
DISTRICT WIDE RESTROOM RENOVATIONS, ROOF REPLACEMENT AT HIGH SCHOOL, MIDDLE SCHOOL AND
WILLIAM MASON SCHOOL AND MEDIA CENTER RENOVATIONS AT ALL ELEMENTARY SCHOOLS AND MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 11,170,945	-	\$ 11,170,945	\$ 11,172,832
Total Revenues and Other Financing Sources	<u>11,170,945</u>	<u>-</u>	<u>11,170,945</u>	<u>11,172,832</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	885,380		885,380	885,383
Construction Services	10,155,485		10,155,485	10,155,486
Other Objects	<u>131,221</u>	<u>-</u>	<u>131,221</u>	<u>131,963</u>
Total Expenditures and Other Financing Uses	<u>11,172,086</u>	<u>-</u>	<u>11,172,086</u>	<u>11,172,832</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (1,141)</u>	<u>\$ -</u>	<u>\$ (1,141)</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	9/26/2017			
Bonds Authorized	\$ 11,172,832			
Bonds Issued	\$ 11,170,945			
Original Authorized Cost	\$ 11,172,832			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 11,172,832			
Percentage Increase Over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	9/1/2019			
Revised Target Completion Date	6/30/2023			

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
2017 REFERENDUM - DISTRICT-WIDE ALL-PURPOSE ROOM/GYMASIUM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 3,014,355	-	\$ 3,014,355	\$ 3,014,535
Total Revenues and Other Financing Sources	<u>3,014,355</u>	<u>-</u>	<u>3,014,355</u>	<u>3,014,535</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	292,103	\$ 2,000	294,103	298,808
Construction Services	2,563,473	99,550	2,663,023	2,673,618
Other Objects	42,109	-	42,109	42,109
Total Expenditures and Other Financing Uses	<u>2,897,685</u>	<u>101,550</u>	<u>2,999,235</u>	<u>3,014,535</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 116,670</u>	<u>\$ (101,550)</u>	<u>\$ 15,120</u>	<u>\$ -</u>
 Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	9/26/2017			
Bonds Authorized	\$ 3,014,355			
Bonds Issued	\$ 3,014,355			
Original Authorized Cost	\$ 3,014,355			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 3,014,355			
Percentage Increase Over Original Authorized Cost	0.00%			
Percentage Completion	99.50%			
Original Target Completion Date	9/1/2019			
Revised Target Completion Date	6/30/2024			

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
2017 REFERENDUM - DISTRICT-WIDE HVAC IMPROVEMENTS AND UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 3,418,700	-	\$ 3,418,700	\$ 3,418,700
Total Revenues and Other Financing Sources	<u>3,418,700</u>	<u>-</u>	<u>3,418,700</u>	<u>3,418,700</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	314,931		314,931	314,931
Construction Services	3,023,832		3,023,832	3,074,743
Other Objects	<u>29,026</u>	<u>-</u>	<u>29,026</u>	<u>29,026</u>
Total Expenditures and Other Financing Uses	<u>3,367,789</u>	<u>-</u>	<u>3,367,789</u>	<u>3,418,700</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 50,911</u>	<u>\$ -</u>	<u>\$ 50,911</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	9/26/2017			
Bonds Authorized	\$ 3,418,700			
Bonds Issued	\$ 3,418,700			
Original Authorized Cost	\$ 3,418,700			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 3,418,700			
Percentage Increase Over Original Authorized Cost	0.00%			
Percentage Completion	98.51%			
Original Target Completion Date	9/1/2019			
Revised Target Completion Date	6/30/2024			

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
2018 ENERGY SAVINGS IMPROVEMENT PROGRAM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Lease Proceeds	\$ 3,695,000		\$ 3,695,000	\$ 3,695,000
Interest Earned	15,803	-	15,803	15,803
	<u>3,710,803</u>	<u>-</u>	<u>3,710,803</u>	<u>3,710,803</u>
Total Revenues and Other Financing Sources				
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	1,294,552		1,294,552	1,155,031
Construction Services	2,400,449		2,400,449	2,539,969
Unallocated	14,702	\$ 1,100	15,802	15,803
	<u>3,709,703</u>	<u>1,100</u>	<u>3,710,803</u>	<u>3,710,803</u>
Total Expenditures and Other Financing Uses				
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 1,100</u>	<u>\$ (1,100)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 3,695,000			
Additional Authorized Cost	\$ 15,803			
Revised Authorized Cost	\$ 3,710,803			
Percentage Increase Over Original Authorized Cost	0.43%			
Percentage Completion	100.00%			
Original Target Completion Date	9/1/2020			
Revised Target Completion Date	6/30/2023			

ENTERPRISE FUNDS

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
ENTERPRISE FUNDS - NONMAJOR
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

	<u>Food Service</u>	<u>Montville Extended Day Learning Center</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 17,211	\$ 872,918	\$ 890,129
Receivables			
Accounts	29,087		29,087
Due from Other Funds	50,944	677	51,621
Inventories	4,272	-	4,272
	<u>101,514</u>	<u>873,595</u>	<u>975,109</u>
Total Current Assets			
Capital Assets			
Furniture, Machinery and Equipment	377,035		377,035
Less Accumulated Depreciation	(283,666)	-	(283,666)
	<u>93,369</u>	<u>-</u>	<u>93,369</u>
Total Capital Assets, Net			
Total Assets	<u>194,883</u>	<u>873,595</u>	<u>1,068,478</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	30,756	1,200	31,956
Accrued Salaries and Wages		1,135	1,135
Due to Other Funds	677	3,655	4,332
Unearned Revenue	30,889	47,695	78,584
	<u>62,322</u>	<u>53,685</u>	<u>116,007</u>
Total Current Liabilities			
NET POSITION			
Investment in Capital Assets	93,369		93,369
Unrestricted	39,192	819,910	859,102
	<u>132,561</u>	<u>819,910</u>	<u>952,471</u>
Total Net Position	<u>\$ 132,561</u>	<u>\$ 819,910</u>	<u>\$ 952,471</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
ENTERPRISE FUNDS - NONMAJOR
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Food Service</u>	<u>Montville Extended Day Learning Center</u>	<u>Total</u>
OPERATING REVENUES			
Local Sources			
Daily Sales - Non-Reimbursable Programs	\$ 1,071,648		\$ 1,071,648
Special Functions	15,589		15,589
Program Fees	-	\$ 1,021,526	1,021,526
	<u>1,087,237</u>	<u>1,021,526</u>	<u>2,108,763</u>
Total Operating Revenues			
OPERATING EXPENSES			
Salaries and Wages	577,691	532,725	1,110,416
Management Fee	27,149		27,149
Other Purchased Services	23,031	1,729	24,760
Supplies and Materials	39,109	5,964	45,073
Utilities		161,666	161,666
Miscellaneous	45,450		45,450
Cost of Sales	478,783		478,783
Depreciation	11,970	-	11,970
	<u>1,203,183</u>	<u>702,084</u>	<u>1,905,267</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(115,946)</u>	<u>319,442</u>	<u>203,496</u>
Nonoperating Revenues			
Interest Income	4,885	-	4,885
	<u>4,885</u>	<u>-</u>	<u>4,885</u>
Total Nonoperating Revenues			
Income (Loss) Before Transfers	(111,061)	319,442	208,381
Transfer in	148,069	-	148,069
	<u>148,069</u>	<u>-</u>	<u>148,069</u>
Change in Net Position	37,008	319,442	356,450
Net Position, July 1, 2022	95,553	500,468	596,021
	<u>95,553</u>	<u>500,468</u>	<u>596,021</u>
Net Position, June 30, 2023	<u>\$ 132,561</u>	<u>\$ 819,910</u>	<u>\$ 952,471</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
ENTERPRISE FUNDS - NONMAJOR
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Food Service</u>	<u>Montville Extended Day Learning Center</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from Customers	\$ 1,063,897	\$ 1,035,571	\$ 2,099,468
Payments for Employees			
Salaries & Benefits	(577,691)	(531,590)	(1,109,281)
Payments to Suppliers for Goods and Services	<u>(618,202)</u>	<u>(170,610)</u>	<u>(788,812)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(131,996)</u>	<u>333,371</u>	<u>201,375</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Received from Other Funds	<u>71,898</u>	<u>(38,122)</u>	<u>33,776</u>
Net Cash Provided by Noncapital Financing Activities	<u>71,898</u>	<u>(38,122)</u>	<u>33,776</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	<u>(4,078)</u>	<u>-</u>	<u>(4,078)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(4,078)</u>	<u>-</u>	<u>(4,078)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Earnings	<u>4,885</u>	<u>-</u>	<u>4,885</u>
Net Cash Provided by Investing Activities	<u>4,885</u>	<u>-</u>	<u>4,885</u>
Net Change in Cash and Cash Equivalents	(59,291)	295,249	235,958
Cash and Cash Equivalents, July 1, 2022	<u>76,502</u>	<u>577,669</u>	<u>654,171</u>
Cash and Cash Equivalents, June 30, 2023	<u>\$ 17,211</u>	<u>\$ 872,918</u>	<u>\$ 890,129</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (115,946)	\$ 319,442	\$ 203,496
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	11,970		11,970
Change in Assets and Liabilities			
(Increase)/Decrease in Accounts Receivable	(25,291)	1,045	(24,246)
Increase/(Decrease) in Accounts Payable	(12,368)	(116)	(12,484)
Increase/(Decrease) in Unearned Revenue	1,951	13,000	14,951
Decrease/(Increase) in Inventory	<u>7,688</u>	<u>-</u>	<u>7,688</u>
Total Adjustments	<u>(16,050)</u>	<u>13,929</u>	<u>(2,121)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (131,996)</u>	<u>\$ 333,371</u>	<u>\$ 201,375</u>

FIDUCIARY FUNDS

(Not Applicable)

LONG-TERM DEBT

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
Refunding Bonds	2/16/2016	\$ 5,200,000				\$ 840,000		\$ 840,000	
2018 School Bonds	2/1/2018	17,604,000	2/1/2024-35	1,000,000	3.000%	15,660,000	-	660,000	\$ 15,000,000
			2/1/2036-37	1,000,000	3.125%				
			2/1/2038	1,000,000	3.250%				
						<u>\$ 16,500,000</u>	<u>\$ -</u>	<u>\$ 1,500,000</u>	<u>\$ 15,000,000</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL AND OTHER FINANCING AGREEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>School Year</u>	<u>Original Amount</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
<u>Capital Financing Agreements</u>						
Energy Savings Improvement Program - Phase 1	2018/19	\$ 2,435,000	\$ 1,965,000		\$ 155,000	\$ 1,810,000
Energy Savings Improvement Program - Phase 2	2019/20	1,260,000	<u>1,118,766</u>	<u>-</u>	<u>74,424</u>	<u>1,044,342</u>
Total Capital Financing Agreements			<u>\$ 3,083,766</u>	<u>\$ -</u>	<u>\$ 229,424</u>	<u>\$ 2,854,342</u>
 <u>Other Financing Agreements</u>						
Acquisition of Computers	2019/20	519,682	212,153		104,975	\$ 107,178
Acquisition of Computers	2019/20	471,141	287,888		94,196	193,692
Acquisition of Computers	2020/21	400,624	297,830		99,532	198,298
Acquisition of Computers	2021/22	307,216	303,200		59,709	243,491
Acquisition of Computers	2021/22	307,216	<u>-</u>	<u>\$ 305,711</u>	<u>-</u>	<u>305,711</u>
Total Other Financing Agreements			<u>\$ 1,101,071</u>	<u>\$ 305,711</u>	<u>\$ 358,412</u>	<u>\$ 1,048,370</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final to Actual</u>
REVENUES:					
Local Sources:					
Property Taxes	\$ 1,617,794		\$ 1,617,794	\$ 1,617,794	
State Sources					
Debt Service Aid	<u>385,832</u>	<u>-</u>	<u>385,832</u>	<u>385,832</u>	<u>-</u>
Total Revenues	<u>2,003,626</u>	<u>-</u>	<u>2,003,626</u>	<u>2,003,626</u>	<u>-</u>
EXPENDITURES:					
Debt Service:					
Principal	1,500,000		1,500,000	1,500,000	
Interest	<u>508,400</u>	<u>-</u>	<u>508,400</u>	<u>508,400</u>	<u>\$ -</u>
Total Expenditures	<u>2,008,400</u>	<u>-</u>	<u>2,008,400</u>	<u>2,008,400</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,774)</u>	<u>-</u>	<u>(4,774)</u>	<u>(4,774)</u>	<u>-</u>
OTHER FINANCING SOURCES					
Transfer from Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,801</u>	<u>4,801</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,801</u>	<u>4,801</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(4,774)</u>	<u>-</u>	<u>(4,774)</u>	<u>27</u>	<u>4,801</u>
Fund Balance, July 1, 2022	<u>4,774</u>	<u>-</u>	<u>4,774</u>	<u>5,674</u>	<u>900</u>
Fund Balance, June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,701</u>	<u>\$ 5,701</u>
Recapitulation of Fund Balance					
				\$ 900	
				<u>4,801</u>	
				<u>\$ 5,701</u>	

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

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

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 20,832,098	\$ 21,959,713	\$ 25,261,772	\$ 25,839,990	\$ 21,739,659	\$ 20,418,850	\$ 23,010,218	\$ 23,937,519	\$ 25,744,416	\$ 30,726,678
Restricted	5,824,111	5,271,211	3,399,251	3,013,172	2,610,555	3,551,146	6,819,080	9,006,538	11,171,893	11,016,728
Unrestricted	2,440,413	(8,203,422)	(9,285,711)	(12,911,837)	(14,209,753)	(12,509,054)	(14,575,469)	(14,434,484)	(12,109,152)	(11,501,766)
Total Governmental Activities Net Position	<u>\$ 29,096,622</u>	<u>\$ 19,027,502</u>	<u>\$ 19,375,312</u>	<u>\$ 15,941,325</u>	<u>\$ 10,140,461</u>	<u>\$ 11,460,942</u>	<u>\$ 15,253,829</u>	<u>\$ 18,509,573</u>	<u>\$ 24,807,157</u>	<u>\$ 30,241,640</u>
Business-Type Activities										
Investment in Capital Assets	\$ 29,110	\$ 81,644	\$ 68,625	\$ 104,257	\$ 78,255	\$ 87,592	\$ 92,200	\$ 82,980	\$ 101,261	\$ 93,369
Unrestricted	257,559	20,508	(73,809)	(36,729)	(25,481)	41,647	145,875	130,729	494,760	859,102
Total Business-Type Activities Net Position	<u>\$ 286,669</u>	<u>\$ 102,152</u>	<u>\$ (5,184)</u>	<u>\$ 67,528</u>	<u>\$ 52,774</u>	<u>\$ 129,239</u>	<u>\$ 238,075</u>	<u>\$ 213,709</u>	<u>\$ 596,021</u>	<u>\$ 952,471</u>
District-Wide										
Net Investment in Capital Assets	\$ 20,861,208	\$ 22,041,357	\$ 25,330,397	\$ 25,944,247	\$ 21,817,914	\$ 20,506,442	\$ 23,102,418	\$ 24,020,499	\$ 25,845,677	\$ 30,820,047
Restricted	5,824,111	5,271,211	3,399,251	3,013,172	2,610,555	3,551,146	6,819,080	9,006,538	11,171,893	11,016,728
Unrestricted	2,697,972	(8,182,914)	(9,359,520)	(12,948,566)	(14,235,234)	(12,467,407)	(14,429,594)	(14,303,755)	(11,614,392)	(10,642,664)
Total District Net Position	<u>\$ 29,383,291</u>	<u>\$ 19,129,654</u>	<u>\$ 19,370,128</u>	<u>\$ 16,008,853</u>	<u>\$ 10,193,235</u>	<u>\$ 11,590,181</u>	<u>\$ 15,491,904</u>	<u>\$ 18,723,282</u>	<u>\$ 25,403,178</u>	<u>\$ 31,194,111</u>

Note 1 - Net position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Reporting for Pensions".

Note 2 - Net position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

Source: District's Financial Statements

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (Unaudited)
 (accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 30,795,183	\$ 36,547,777	\$ 38,487,105	\$ 43,938,994	\$ 43,390,907	\$ 40,157,687	\$ 38,532,672	\$ 43,730,199	\$ 42,185,554	\$ 39,004,386
Special Education	12,047,604	15,091,383	16,531,227	18,580,325	19,662,193	17,833,713	15,212,764	19,254,208	15,853,535	15,980,446
Other Instruction	1,308,220	1,997,181	1,994,970	2,540,006	2,519,440	2,139,832	2,325,192	2,908,111	2,669,313	2,500,114
School Sponsored Activities and Athletics	1,719,860	1,867,670	2,050,675	2,208,739	2,833,262	2,617,108	2,383,043	2,783,697	2,603,056	3,110,880
Support Services:										
Student & Instruction Related Services	10,720,288	12,554,475	13,470,822	15,521,847	16,768,864	16,137,229	18,986,496	16,171,892	19,050,790	14,421,055
School Administrative Services	3,102,053	3,151,180	3,380,103	4,258,151	4,272,481	4,075,860	4,024,472	4,482,492	4,343,414	3,876,129
General Administration	1,421,243	1,936,938	2,471,717	1,911,715	3,189,588	3,245,763	1,850,968	2,191,595	2,607,396	2,519,400
Business/Central Services	1,348,617	1,367,836	1,439,620	1,604,606	2,040,500	1,981,439	1,839,056	2,691,706	1,798,492	2,037,499
Plant Operations and Maintenance	5,516,674	6,106,178	6,361,161	6,905,148	5,767,715	5,683,635	5,570,207	6,340,345	5,990,303	6,791,699
Pupil Transportation	3,537,149	3,858,003	4,098,468	4,068,580	4,221,021	4,357,915	4,333,156	3,992,169	5,136,038	6,148,933
Interest on Long-Term Debt	699,486	626,181	606,495	359,849	483,432	742,147	721,388	670,255	641,755	486,342
Total Governmental Activities Expenses	72,216,377	85,104,802	90,892,363	101,897,960	105,149,403	98,972,328	95,779,414	105,216,669	102,879,646	96,876,883
Business-Type Activities:										
Enterprise Funds	1,585,291	1,637,939	1,700,913	1,661,820	1,745,873	1,822,291	1,263,816	93,671	1,794,318	1,905,267
Total Business-Type Activities Expense	1,585,291	1,637,939	1,700,913	1,661,820	1,745,873	1,822,291	1,263,816	93,671	1,794,318	1,905,267
Total District Expenses	\$ 73,801,668	\$ 86,742,741	\$ 92,593,276	\$ 103,559,780	\$ 106,895,276	\$ 100,794,619	\$ 97,043,230	\$ 105,310,340	\$ 104,673,964	\$ 98,782,150
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 480,781	\$ 442,373	\$ 440,231	\$ 415,478	\$ 463,902	\$ 520,232	\$ 493,028	\$ 535,703	\$ 1,000,148	\$ 1,296,267
Operating Grants and Contributions	10,128,206	18,459,436	22,937,619	29,796,550	33,230,835	27,436,953	24,216,263	32,322,549	31,327,699	22,052,865
Capital Grants and Contributions	294,196	4,741	14,494	-	2,297	-	-	108,719	120,442	565,909
Total Governmental Activities Program Revenues	10,903,183	18,906,550	23,392,344	30,212,028	33,697,034	27,957,185	24,709,291	32,966,971	32,448,289	23,915,041
Business-Type Activities:										
Charges for Services										
Enterprise Funds	1,265,087	1,453,167	1,593,163	1,686,644	1,717,142	1,847,567	1,327,445	9,282	2,021,023	2,108,763
Operating Grants and Contributions	14,270	-	2,108,763	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	1,279,357	1,453,167	3,701,926	1,686,644	1,717,142	1,847,567	1,327,445	9,282	2,021,023	2,108,763
Total District Program Revenues	\$ 12,182,540	\$ 20,359,717	\$ 27,094,270	\$ 31,898,672	\$ 35,414,176	\$ 29,804,752	\$ 26,036,736	\$ 32,976,253	\$ 34,469,312	\$ 26,023,804
Net (Expense)/Revenue										
Governmental Activities	\$ (61,313,194)	\$ (66,198,252)	\$ (67,500,019)	\$ (71,685,932)	\$ (71,452,369)	\$ (71,015,143)	\$ (71,070,123)	\$ (72,249,698)	\$ (70,431,357)	\$ (72,961,842)
Business-Type Activities	(305,934)	(184,772)	2,001,013	24,824	(28,731)	25,276	63,629	(84,389)	226,705	203,496
Total District-Wide Net Expense	\$ (61,619,128)	(66,383,024)	\$ (65,499,006)	\$ (71,661,108)	\$ (71,481,100)	\$ (70,989,867)	\$ (71,006,494)	\$ (72,334,087)	\$ (70,204,652)	\$ (72,758,346)

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes - General Purposes	\$ 62,393,125	\$ 63,640,987	\$ 64,913,806	\$ 66,212,082	\$ 67,536,323	\$ 68,887,049	\$ 70,747,235	\$ 72,662,180	\$ 74,115,423	\$ 75,597,731
Property Taxes - Debt Service	2,369,626	2,377,773	2,380,069	2,380,459	2,321,473	2,746,530	2,282,632	1,955,105	2,286,650	1,617,794
Federal and State Aid - Unrestricted		71,118	78,884	112,061	120,729	10,308				
Federal and State Aid - Restricted	122,780	126,598	130,043	132,442	130,850	106,556	499,342	257,332	277,229	288,164
Donated Capital Assets	-	-	-	-	-	-	-	-	-	-
Investment Earnings	32,074	30,249	39,653	54,846	198,628	431,904	237,351	49,001	65,093	604,848
Miscellaneous Income	213,107	277,327	305,374	167,056	467,241	202,604	375,394	641,824	184,546	435,857
Transfers				(47,425)	(45,000)	(49,327)	(44,378)	(60,000)	(200,000)	(148,069)
Total Governmental Activities	65,130,712	66,524,052	67,847,829	69,011,521	70,730,244	72,335,624	74,097,576	75,505,442	76,728,941	78,396,325
Business-Type Activities:										
Investment Earnings	578	255	414	463	988	1,862	829	23	270	4,885
Transfers				47,425	45,000	49,327	44,378	60,000	200,000	148,069
Total Business-Type Activities	578	255	414	47,888	45,988	51,189	45,207	60,023	200,270	152,954
Total District-Wide	\$ 65,131,290	\$ 66,524,307	\$ 67,848,243	\$ 69,059,409	\$ 70,776,232	\$ 72,386,813	\$ 74,142,783	\$ 75,565,465	\$ 76,929,211	\$ 78,549,279
Change in Net Position										
Governmental Activities	\$ 3,817,518	\$ 325,800	\$ 347,810	\$ (2,674,411)	\$ (722,125)	\$ 1,320,481	\$ 3,027,453	\$ 3,255,744	\$ 6,297,584	\$ 5,434,483
Business-Type Activities	(305,356)	(184,517)	2,001,427	72,712	17,257	76,465	108,836	(24,366)	426,975	356,450
Total District	\$ 3,512,162	\$ 141,283	\$ 2,349,237	\$ (2,601,699)	\$ (704,868)	\$ 1,396,946	\$ 3,136,289	\$ 3,231,378	\$ 6,724,559	\$ 5,790,933

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)**

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 7,766,356	\$ 7,006,808	\$ 5,233,256	\$ 5,013,172	\$ 3,610,555	\$ 4,551,146	\$ 9,002,148	\$ 10,058,583	\$ 10,813,669	\$ 10,626,554
Committed									2,887,302	717,404
Assigned	1,004,532	1,317,715	1,539,076	1,277,703	1,811,701	1,525,932	1,318,683	668,448	1,574,930	3,398,521
Unassigned	<u>1,183,177</u>	<u>1,093,011</u>	<u>211,280</u>	<u>(347,247)</u>	<u>(496,551)</u>	<u>(309,083)</u>	<u>(418,369)</u>	<u>802,262</u>	<u>34,550</u>	<u>(532,400)</u>
Total General Fund	<u>\$ 9,954,065</u>	<u>\$ 9,417,534</u>	<u>\$ 6,983,612</u>	<u>\$ 5,943,628</u>	<u>\$ 4,925,705</u>	<u>\$ 5,767,995</u>	<u>\$ 9,902,462</u>	<u>\$ 11,529,293</u>	<u>\$ 15,310,451</u>	<u>\$ 14,210,079</u>
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	<u>\$ 54,692</u>	<u>\$ 49,275</u>	<u>\$ 47,164</u>	<u>\$ 116,169</u>	<u>\$ 15,300,293</u>	<u>\$ 10,554,338</u>	<u>\$ 5,144,359</u>	<u>\$ 905,994</u>	<u>\$ 525,764</u>	<u>\$ 455,064</u>
Total All Other Governmental Funds	<u>\$ 54,692</u>	<u>\$ 49,275</u>	<u>\$ 47,164</u>	<u>\$ 116,169</u>	<u>\$ 15,300,293</u>	<u>\$ 10,554,338</u>	<u>\$ 5,144,359</u>	<u>\$ 905,994</u>	<u>\$ 525,764</u>	<u>\$ 455,064</u>

Note 1 -Fund Balances in the General and Special Revenue Funds at June 30, 2020 are restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

Source: District's Financial Statements

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property Taxes	\$ 64,762,751	\$ 66,018,760	\$ 67,293,875	\$ 68,592,541	\$ 69,857,796	\$ 71,633,579	\$ 73,029,867	\$ 74,617,285	\$ 76,402,073	\$ 77,215,525
Tuition Charges	167,730	140,049	147,706	131,082	175,812	244,142	307,210	154,534	239,290	212,799
Interest Earnings	32,074	30,249	39,653	54,846	198,628	431,904	237,351	49,001	65,093	604,848
Miscellaneous	588,541	619,216	636,963	492,233	802,285	503,866	582,400	1,023,482	960,964	1,557,175
State Sources	9,520,534	10,405,221	12,271,912	13,614,393	15,919,899	17,904,357	18,044,095	21,223,598	26,917,445	27,937,588
Federal Sources	962,265	966,437	1,032,314	926,723	853,725	1,028,649	1,005,802	1,145,083	1,715,811	2,240,556
Total Revenues	76,033,895	78,179,932	81,422,423	83,811,818	87,808,145	91,746,497	93,206,725	98,212,983	106,300,676	109,768,491
Expenditures										
Instruction										
Regular Instruction	30,679,893	31,919,138	32,256,333	34,473,922	33,643,126	34,023,546	33,231,704	36,260,121	38,059,825	40,061,267
Special Education Instruction	12,044,454	13,826,070	14,647,044	15,548,031	16,367,129	16,125,302	14,026,297	17,307,024	15,322,903	17,544,912
Other Instruction	1,304,141	1,727,485	1,657,928	1,954,296	1,998,475	1,882,113	2,126,118	2,545,957	2,577,299	2,749,437
School Sponsored Activities and Athletics	1,719,860	1,836,299	1,943,736	1,994,288	2,318,630	2,347,283	2,320,454	2,493,502	3,086,801	3,398,936
Support Services:										
Tuition										
Student & Inst. Related Services	10,680,432	11,509,430	11,885,101	12,752,652	13,510,785	14,313,565	17,542,487	14,241,540	18,550,219	15,973,572
General Administration	1,414,130	1,552,884	1,907,008	1,773,321	2,897,352	3,075,689	1,661,524	1,902,441	2,269,685	2,397,637
School Administrative Services	3,034,992	3,055,587	3,225,483	3,310,431	3,405,623	3,591,464	3,665,441	3,921,647	4,193,505	4,338,192
Business/Central Services	1,342,020	1,334,538	1,351,839	1,420,967	1,631,405	1,738,651	1,776,956	2,434,273	2,200,866	2,270,165
Plant Operations and Maintenance	4,206,787	4,714,822	4,694,972	5,145,849	5,355,572	5,424,902	5,425,928	6,119,041	6,300,370	6,902,712
Pupil Transportation	3,537,149	3,856,497	4,093,678	4,058,528	4,198,619	4,345,410	4,330,668	3,977,722	5,163,642	6,161,459
Capital Outlay	3,408,225	859,789	3,200,110	354,701	3,124,210	7,983,355	7,124,033	6,573,314	1,870,315	6,608,197
Debt Service:										
Principal	2,003,518	2,232,394	2,310,074	2,521,931	2,760,055	2,949,873	3,405,386	2,611,153	2,728,364	2,087,836
Interest and Other Charges	739,237	663,918	672,800	449,816	379,263	809,279	820,120	769,925	679,154	602,883
Total Expenditures	76,114,838	79,088,851	83,846,106	85,758,733	91,590,244	98,610,432	97,457,116	101,157,660	103,002,948	111,097,205
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(80,943)	(908,919)	(2,423,683)	(1,946,915)	(3,782,099)	(6,863,935)	(4,250,391)	(2,944,677)	3,297,728	(1,328,714)
Other Financing Sources (Uses)										
Serial Bond Proceeds					17,604,000					
Original Issue Premium			475,024		968					
Proceeds from Refunding			5,200,000							
Payments to Escrow Agent			(5,580,169)							
Proceeds from Capital Lease	341,461	366,971		1,023,361	388,332	3,009,597	2,250,823	396,143	303,200	305,711
Cancelled Grants Receivable			(107,205)							
Transfers In	1,700,855		421,766		133,928	248,659	82,863	4,774	899	4,801
Transfers Out	(1,700,855)		(421,766)	(47,425)	(178,928)	(297,986)	(127,241)	(64,774)	(200,899)	(152,870)
Total Other Financing Sources (Uses)	341,461	366,971	(12,350)	975,936	17,948,300	2,960,270	2,206,445	336,143	103,200	157,642
Net Change in Fund Balances	\$ 260,518	\$ (541,948)	\$ (2,436,033)	\$ (970,979)	\$ 14,166,201	\$ (3,903,665)	\$ (2,043,946)	\$ (2,608,534)	\$ 3,400,928	\$ (1,171,072)
Debt Service as a Percentage of										
Noncapital Expenditures	3.77%	3.70%	3.70%	3.48%	3.55%	4.15%	4.68%	3.57%	3.37%	2.58%

* Noncapital expenditures are total expenditures less capital outlay.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Interest Earned	Tuition	Transportation	Insurance/ Other Refunds	Facility Rental	Student Activity Fees	E-Rate	Miscellaneous	Total
2013	\$ 106,784	\$ 145,010	\$ 334,285	\$ 117,346	\$ 37,279			\$ 41,593	\$ 782,297
2014	32,074	167,730	313,051	27,286	26,466			159,355	725,962
2015	30,249	140,049	302,324	22,854	10,718		\$ 109,344	134,411	749,949
2016	39,653	147,706	292,525	118,767	39,119		102,252	45,236	785,258
2017	54,846	131,082	284,396	101,989	10,124			54,943	637,380
2018	115,128	175,812	288,090	204,741	14,844	\$ 197	97,944	146,206	1,042,962
2019	182,053	244,142	276,090	92,220	11,439	37,296	23,467	38,182	904,889
2020	140,039	307,210	185,818	109,926	16,717	29,368	21,600	197,783	1,008,461
2021	44,110	154,534	124,201	463,847	1,500	1,245	21,600	153,632	964,669
2022	64,149	239,290	260,265	48,476	4,100	12,542		119,428	748,250
2023	600,047	212,799	345,681	93,435	18,343	4,210		319,869	1,594,384

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Valuation	Total Direct School Tax Rate ^a
2014	\$ 59,887,700	\$ 3,724,787,100	\$ 9,074,900	\$ 186,200	\$ 258,164,500	\$ 374,440,000	\$ 77,158,000	\$ 4,503,698,400	\$ 3,036,582	\$ 4,506,734,982	\$ 4,770,546,186	\$ 1.451
2015	59,263,100	3,729,974,300	9,510,800	186,200	252,267,500	373,495,200	77,158,000	4,501,855,100	3,037,248	4,504,892,348	4,856,894,055	1.480
2016	56,943,100	3,737,842,800	10,396,500	186,200	253,655,400	371,941,400	77,158,000	4,508,123,400	3,005,634	4,511,129,034	4,834,448,686	1.507
2017	56,975,700	3,744,584,200	8,777,700	186,200	255,186,600	369,089,500	77,158,000	4,511,957,900	2,866,800	4,514,824,700	5,043,362,487	1.534
2018	58,811,800	3,743,568,400	10,467,200	173,600	258,732,400	349,599,400	77,158,000	4,498,510,800	2,870,423	4,501,381,223	5,056,583,086	1.583
2019	56,340,900	3,747,796,300	10,138,400	172,700	258,449,100	347,099,800	77,158,000	4,497,155,200	2,946,105	4,500,101,305	4,971,953,379	1.597
2020	55,819,800	3,755,465,200	10,167,500	723,600	256,225,300	354,261,200	77,158,000	4,509,820,600	2,964,329	4,512,784,929	4,984,827,446	1.636
2021	57,544,500	3,764,520,200	10,167,500	171,800	243,950,900	345,463,400	77,158,000	4,498,976,300	2,997,056	4,501,973,356	5,030,635,009	1.678
2022	53,747,300	3,777,632,000	11,459,800	173,500	248,827,100	340,363,000	77,158,000	4,509,360,700	2,879,338	4,512,240,038	5,174,159,274	1.702
2023	48,565,900	3,805,432,200	11,067,900	166,000	246,180,100	339,352,000	77,158,000	4,527,922,100	2,880,345	4,530,802,445	5,361,596,747	1.731

Source: County Abstract of Ratables

a Tax rates are per \$100

b The Township underwent a revaluation of real properties which became effective in 2012.

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of assessed value)

Calendar Year	School Tax Rate	Overlapping Rates			Total Direct and Overlapping Tax Rate
		Fire Districts	Municipality	County	
2014	\$ 1.451	\$ 0.039	\$ 0.466	\$ 0.271	\$ 2.227
2015	1.480	0.035	0.433	0.272	2.220
2016	1.507	0.039	0.475	0.275	2.296
2017	1.534	0.039	0.483	0.290	2.346
2018	1.583	0.039	0.494	0.291	2.407
2019	1.597	0.041	0.501	0.290	2.429
2020	1.636	0.043	0.506	0.289	2.474
2021	1.678	0.045	0.512	0.291	2.526
2022	1.702	0.046	0.519	0.294	2.561
2023	1.731	0.046	0.526	0.302	2.605

Source: County Abstract of Ratables

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 PRINCIPAL PROPERTY TAXPAYERS,
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)

Taxpayer	2023		2014	
	Taxable Assessed Valuation	% of Total District Net Assessed Valuation	Taxable Assessed Valuation	% of Total District Net Assessed Valuation
RG Realty Investors LLC	\$ 75,000,500	1.66%		
Chapin Road Property LLC	44,000,000	0.97%		
Newark Morning Ledger	19,500,000	0.43%		
O'Dowd's, Inc.	16,717,000	0.37%		
O'Dowd's, Inc.	15,222,000	0.34%		
Milwe, Jane	14,290,000	0.32%		
10 Bloomfield A & B Pine Brook NJ	12,524,700	0.28%		
Welltower NNN Group, LLC	12,224,500	0.27%		
First Industrial LP	11,800,500	0.26%		
Triangle 46 Prop LLC	11,570,000	0.26%		
	<u>\$ 232,849,200</u>	<u>5.14%</u>		
Pernwil Assoc.			\$ 75,000,500	1.66%
Chapin Road Property LLC			56,900,500	1.26%
Newark Morning Ledger			19,500,000	0.43%
Jane Milwe			18,969,000	0.42%
O'Dowd's, Inc.			16,717,000	0.37%
RCS-Montville, LLC			16,437,000	0.36%
Triangle 46 Prop LLC			16,150,500	0.36%
O'Dowd's, Inc.			15,222,000	0.34%
Bayer Healthcare			13,902,000	0.31%
O'Dowd's, Inc.			<u>13,442,000</u>	<u>0.30%</u>
			<u>\$ 262,240,500</u>	<u>5.82%</u>

Source: Municipal Tax Assessor

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 64,762,751	\$ 64,762,751	100.00%	N/A
2015	66,018,760	66,018,760	100.00%	N/A
2016	67,293,875	67,293,875	100.00%	N/A
2017	68,592,541	68,592,541	100.00%	N/A
2018	69,857,796	69,857,796	100.00%	N/A
2019	71,633,579	71,633,579	100.00%	N/A
2020	73,029,867	73,029,867	100.00%	N/A
2021	74,617,285	74,617,285	100.00%	N/A
2022	76,402,073	76,402,073	100.00%	N/A
2023	77,215,525	77,215,525	100.00%	N/A

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Business-Type Activities			
2014	\$ 15,840,000		\$ 15,840,000	21,618	733
2015	13,940,000		13,940,000	21,605	645
2016	11,610,000		11,610,000	21,503	540
2017	9,570,000		9,570,000	21,435	446
2018	25,064,000		25,064,000	21,284	1,178
2019	22,884,000		22,884,000	21,046	1,087
2020	20,545,000		20,545,000	20,970	980
2021	18,570,000		18,570,000	22,409	829
2022	16,500,000		16,500,000	22,440	735
2023	15,000,000		15,000,000	22,440 *	668

Source: District records

* Estimated

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2014	\$ 15,840,000		\$ 15,840,000	0.35%	\$ 733
2015	13,940,000		13,940,000	0.31%	645
2016	11,610,000		11,610,000	0.26%	540
2017	9,570,000		9,570,000	0.21%	446
2018	25,064,000		25,064,000	0.56%	1,178
2019	22,884,000		22,884,000	0.51%	1,087
2020	20,545,000		20,545,000	0.46%	980
2021	18,570,000		18,570,000	0.41%	829
2022	16,500,000		16,500,000	0.37%	735
2023	15,000,000		15,000,000	0.33%	668

Source: District records

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
(Unaudited)

Direct Debt: (1)		
Montville Township Public Schools		\$ 16,501,887
Township of Montville, Net Debt		<u>35,940,078</u>
		<u>52,441,965</u>
Overlapping Debt Apportioned to the Municipality:		
County of Morris (A)		20,147,871
Fire Districts	(B)	<u>-</u>
		<u>20,147,871</u>
Total Direct and Overlapping Debt		<u>\$ 72,589,836</u>

Source:

(1) Township's 2022 Annual Debt Statement

(A) The debt for this entity was apportioned to Montville Township Public Schools by dividing the municipality's 2022 equalized value by the total 2022 equalized value for Morris County.

(B) Information not available.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 195,199,478	\$ 192,942,336	\$ 192,652,986	\$ 196,187,592	\$ 198,785,373	\$ 200,708,396	\$ 199,762,234	\$ 199,414,960	\$ 201,841,938	\$ 207,166,593
Total net debt applicable to limit	<u>(15,840,000)</u>	<u>(13,940,000)</u>	<u>(11,610,000)</u>	<u>(9,570,000)</u>	<u>(25,065,887)</u>	<u>(22,882,113)</u>	<u>(20,543,113)</u>	<u>(18,571,887)</u>	<u>(16,501,887)</u>	<u>(15,001,887)</u>
Legal debt margin	<u>\$ 179,359,478</u>	<u>\$ 179,002,336</u>	<u>\$ 181,042,986</u>	<u>\$ 186,617,592</u>	<u>\$ 173,719,486</u>	<u>\$ 177,826,283</u>	<u>\$ 179,219,121</u>	<u>\$ 180,843,073</u>	<u>\$ 185,340,051</u>	<u>\$ 192,164,706</u>
Total net debt applicable to the limit as a percentage of debt limit	-8.11%	-7.22%	-6.03%	-4.88%	-12.61%	-11.40%	-10.28%	-9.31%	-8.18%	-7.24%

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	
2021	\$ 5,358,717,409
2020	5,151,106,366
2019	<u>5,027,670,680</u>
	<u>\$ 15,537,494,455</u>
Average equalized valuation of taxable property	<u>\$ 5,179,164,818</u>
Debt Limit (4% of average equalization value)	207,166,593
Total Net Debt Applicable to Limit	<u>(15,001,887)</u>
Legal debt margin	<u>\$ 192,164,706</u>

Source: Annual Debt Statements

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	21,618	84,287	4.60%
2015	21,605	88,298	3.80%
2016	21,503	91,252	3.70%
2017	21,435	93,544	3.60%
2018	21,284	97,244	3.20%
2019	21,046	99,140	2.70%
2020	20,970	102,227	8.10%
2021	22,409	107,767	5.00%
2022	22,440 *	not available	2.90%
2023	22,440 *	not available	not available

* - Estimated

Source: New Jersey State Department of Education

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 PRINCIPAL EMPLOYERS,
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)

	2023		2014	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

INFORMATION NOT AVAILABLE

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	277	277	275	297	288	277	280	285	276	288
Special Education	91	97	99	84	168	147	157	164	88	148
Other Instruction	3	3	3	3	18	18	18	21	3	21
School Sponsored Activities/Athletics	2	2	2	2	3	3	3	3	2	3
Support Services:										
Student & Instruction Related Services	185	192	208	202	133	130	112	92	174	94
General Administration	16	17	17	26	26	27	27	27	15	29
School Administrative Services	25	25	25	36	14	14	14	14	26	14
Central Services	7	7	7	9	8	8	8	8	6	8
Plant Operations and Maintenance	36	38	35	13	18	22	22	12	36	11
Plant Operations and Maintenance	1	1	1	1	1	1	1	1	1	1
Total	<u>643</u>	<u>659</u>	<u>672</u>	<u>673</u>	<u>677</u>	<u>647</u>	<u>642</u>	<u>627</u>	<u>627</u>	<u>617</u>

Source: District Personnel Records

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Teacher/Pupil Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2014	3,989	\$ 69,963,858	\$ 17,539	1.69%	368	1:16	1:15	1:14	3,980	3,831	-2.19%	96.26%
2015	3,915	75,332,750	19,242	9.71%	375	1:15	1:15	1:12	3,886	3,755	-2.36%	96.63%
2016	3,777	77,663,122	20,562	6.86%	374	1:15	1:15	1:12	3,773	3,642	-2.91%	96.53%
2017	3,734	82,432,285	22,076	7.36%	384	1:9	1:10	1:11	3,704	3,572	-1.83%	96.44%
2018	3,699	85,326,716	23,068	4.49%	384	1:9	1:10	1:11	3,600	3,465	-2.81%	96.25%
2019	3,562	86,867,925	24,387	5.72%	360	1:10	1:10	1:11	3,583	3,447	-0.47%	96.20%
2020	3,426	86,107,577	25,134	3.06%	357	1:10	1:10	1:11	3,516	3,424	-1.87%	97.38%
2021	3,429	91,203,268	26,598	5.83%	337	1:9	1:10	1:11	3,390	3,294	-3.58%	97.17%
2022	3,397	97,725,115	28,768	8.16%	354	1:9	1:10	1:11	3,370	3,224	-0.59%	95.67%
2023	3,433	101,798,289	29,653	3.08%	350	1:9	1:10	1:11	3,414	3,240	1.31%	94.90%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
 - b Operating expenditures equal total expenditures less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
<u>Cedar Hill Elementary</u>										
Square Feet	46,262	46,262	46,262	46,262	46,262	46,262	46,262	46,262	46,262	46,262
Capacity (students)	437	437	437	437	437	437	437	437	437	437
Enrollment	346	340	332	296	381	331	366	326	329	337
<u>Hilldale Elementary</u>										
Square Feet	37,055	37,055	37,055	37,055	37,055	37,055	37,055	37,055	37,055	37,055
Capacity (students)	423	423	423	423	423	423	423	423	423	423
Enrollment ^a	357	365	360	339	375	312	321	311	370	326
<u>William Mason Elementary</u>										
Square Feet	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031
Capacity (students)	351	351	351	351	351	351	351	351	351	351
Enrollment	271	267	271	264	365	245	230	230	282	271
<u>Valley View Elementary</u>										
Square Feet	54,725	54,725	54,725	54,725	54,725	54,725	54,725	54,725	54,725	54,725
Capacity (students)	490	490	490	490	490	490	490	490	490	490
Enrollment ^a	419	416	409	428	375	388	398	363	427	419
<u>Woodmont Elementary</u>										
Square Feet	43,062	43,062	43,062	43,062	43,062	43,062	43,062	43,062	43,062	43,062
Capacity (students)	383	383	383	383	383	383	383	383	383	383
Enrollment	320	298	266	278	353	279	317	289	329	320
<u>Robert R. Lazar Middle School</u>										
Square Feet	106,682	106,682	106,682	106,682	106,682	106,682	106,682	106,682	106,682	106,682
Capacity (students)	897	897	897	897	897	897	897	897	897	897
Enrollment	978	967	928	910	1,034	900	888	870	966	978
<u>Montville High School</u>										
Square Feet	222,515	222,515	222,515	222,515	222,515	222,515	222,515	222,515	222,515	222,515
Capacity (students)	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428
Enrollment	1,289	1,233	1,207	1,219	1,265	1,164	1,139	1,040	1,336	1,289

Number of Schools at June 30, 2023
 Elementary = five
 Middle School = one
 Senior High School = one

Source: District Records

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(Unaudited)

	<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>
School Facilities										
Cedar Hill School	\$ 81,186	\$ 81,670	\$ 74,845	\$ 79,388	\$ 85,284	\$ 82,032	\$ 76,131	\$ 131,427	\$ 95,849	\$ 102,521
Hilldale School	65,029	65,416	59,949	63,962	68,311	65,706	60,980	105,271	76,774	82,118
William Mason School	64,986	65,374	59,910	58,950	68,267	65,664	60,940	105,203	76,724	82,064
Valley View School	96,038	96,610	88,537	88,743	100,886	97,039	90,058	155,470	113,384	121,276
Woodmont School	75,570	76,021	69,668	76,702	79,385	76,358	70,865	122,336	89,219	95,430
Robert R. Lazar Middle School	187,217	188,334	172,596	179,042	196,669	189,170	175,562	303,077	221,032	236,418
High School	<u>390,495</u>	<u>392,824</u>	<u>359,997</u>	<u>394,127</u>	<u>403,743</u>	<u>388,458</u>	<u>366,183</u>	<u>632,153</u>	<u>461,024</u>	<u>493,116</u>
Total School Facilities	<u>960,521</u>	<u>966,249</u>	<u>885,502</u>	<u>940,914</u>	<u>1,002,545</u>	<u>964,427</u>	<u>900,719</u>	<u>1,554,937</u>	<u>1,134,006</u>	<u>1,212,943</u>
Other Facilities	<u>11,407</u>	<u>11,475</u>	<u>11,363</u>	<u>2,161</u>	<u>6,462</u>	<u>6,108</u>	<u>7,207</u>	<u>59,418</u>	<u>-</u>	<u>4,686</u>
Grand Total	<u>\$ 971,928</u>	<u>\$ 977,724</u>	<u>\$ 896,865</u>	<u>\$ 943,075</u>	<u>\$ 1,009,007</u>	<u>\$ 970,535</u>	<u>\$ 907,926</u>	<u>\$ 1,614,355</u>	<u>\$ 1,134,006</u>	<u>\$ 1,217,629</u>

Source: District Records

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
INSURANCE SCHEDULE
JUNE 30, 2023
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property- Blanket Building and Contents	\$ 186,923,653	\$ 5,000
Comprehensive General Liability (Each Occurrence)	1,000,000	
Blanket Employee Dishonesty	500,000	5,000
Comprehensive Crime Coverage- Forgery or Alteration	250,000	5,000
Boiler & Machinery	100,000,000	
School Board Legal Liability		
Error and Omissions	1,000,000	5,000
Employment Practices Liability	1,000,000	15,000
Policy Aggregate	1,000,000	
Public Officials Bonds		
School Business Administrator/Board Secretary	400,000	
Commercial Automobile - Liability		
	1,000,000	
Excess Liability		
General Liability - Per Occurrence	30,000,000	
General Liability - Aggregate	30,000,000	
General Liability - Per Occurrence	25,000,000	Layered
General Liability - Aggregate	25,000,000	Layered
Excess Policy		
General Liability - Per Occurrence	9,000,000	
General Liability - Aggregate	9,000,000	
Environmental Impairment Liability		
Environmental Liability - Per Occurrence	1,000,000	25,000
Environmental Liability - Aggregate	10,000,000	
Fungi or Legionaelia		50,000
Travel Accident Insurance		
Limit of Liability	100,000	
Cyber Liability		
Limit of Liability	1,000,000	25,000
Flood Insurance		
Personal Property Limit	500,000	
Deductible Contents		10,000
Workman's Compensation Insurance		
Employers Liability Maximum Limit of Indemnity	1,000,000	Per Occurrence
Self-Insured Retention	500,000	Per Occurrence
Maximum Limit of Indemnity	Statutory	Per Occurrence

Source: District's records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, 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
Montville Township Public Schools
86 River Road
Montville, New Jersey 07045

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements 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 Montville Township Public Schools as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Montville Township Public Schools' basic financial statements and have issued our report thereon dated January 17, 2024.

Report on Internal Control Over Financial Reporting

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

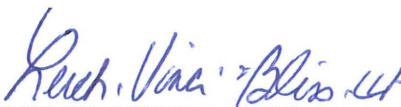
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Montville Township Public Schools' internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Montville Township Public Schools' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 17, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Montville Township Public Schools
86 River Road
Montville, New Jersey 07045

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Montville Township Public Schools' compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Montville Township Public Schools' major federal and state programs for the fiscal year ended June 30, 2023. The Montville Township Public Schools' 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 Montville Township Public Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular 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 Montville Township Public Schools and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Montville Township Public Schools' 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, regulation, rules, and provisions of contracts or grant agreements applicable to the Montville Township Public Schools' 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 Montville Township Public Schools' 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, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. 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 omission, misrepresentation, 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 Montville Township Public Schools' 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, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement 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 Montville Township Public Schools' 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 Montville Township Public Schools' 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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Montville Township Public Schools' internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

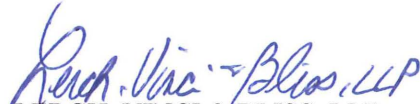
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montville Township Public Schools, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 17, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 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 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 schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 17, 2024

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Accounts Receivable Carryover	Funds Released		Balance, June 30, 2023		MEMO GAAP Receivable	
										Accounts Receivable	Unearned Revenue	(Accounts Receivable)	Unearned Revenue		
General Fund															
U.S. Department of Health and Human Services Passed-through State Department of Education															
Medical Assistance Program (SEMI) FFCRA/SEMI	93.778	2105N5MAP	7/1/22-6/30/23	\$ 10,261			\$ 10,261	\$ 10,261							
	93.778	2105N5MAP	1/1/21-12/31/21	829			829	829							
U.S. Department of Homeland Security Passed-through State Department of Law and Public Safety															
FEMA - Disaster Recovery Assistance	97.036	N/A	7/1/22-6/30/23	155,630	-	-	155,630	155,630	-	-	-	-	-	-	-
Total General Fund					-	-	166,720	166,720	-	-	-	-	-	-	-
U.S. Department of Education Passed-through State Department of Education															
Special Revenue Fund:															
IDEA															
Basic	84.027	H027A220100	7/1/22-9/30/23	760,107		\$ 172,858	613,436	665,900	\$ (172,858)			\$ (319,529)	\$ 267,065	\$ 52,464	
Basic	84.027	H027A210100	7/1/21-9/30/22	735,903	\$ (207,988)	(172,858)	263,988	56,000	172,858						
ARP Basic	84.027X	H027A210100	7/1/21-9/30/22	151,118	(76,830)		76,830	29,936				(30,572)	636	29,936	
Preschool	84.173	H173A220114	7/1/22-9/30/23	32,084		119	25,235	25,235	(119)			(6,968)	6,968	-	
Preschool	84.173	H173A210114	7/1/21-9/30/22	28,767	(29,378)	(119)	29,378		119						
ARP Preschool	84.173X	H173A210114	7/1/21-9/30/22	12,908	-	-	-	12,208	-	-	-	(12,908)	700	12,208	
Total Special Education Cluster					(314,196)	-	1,008,867	789,279	-	-	-	(369,977)	275,369	94,608	
Elementary and Secondary School Emergency Relief (ESSER) Coronavirus Aid, Relief, and Economic Security (CARES) Act CARES Emergency Relief Grant															
	84.425D	S425D200027	3/13/20-9/30/22	85,728	(2,180)		2,180			\$ 193	\$ (193)				
Elementary and Secondary School Emergency Relief (ESSER II) Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act															
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	316,822	(308,688)		316,822	8,134							
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	25,000	(22,111)		23,399	1,793				(1,601)	1,096	505	
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(17,068)		24,366	7,298				(20,634)	20,634	-	
Elementary and Secondary School Emergency Relief (ESSER III) American Rescue Plan															
ARP ESSER	84.425U	S425U210027	3/13/20-9/30/24	712,036	(278,040)		540,523	374,945				(171,513)	59,051	112,462	
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	273,618			55,211	87,807				(218,407)	185,811	32,596	
Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000			33,375	35,930				(6,625)	4,070	2,555	
Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000			24,258	32,025				(15,742)	7,975	7,767	
Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	-	-	-	-	-	-	-	(45,000)	45,000	-	
Total ESSER Cluster					(628,087)	-	1,020,134	547,932	-	193	(193)	(479,522)	323,637	155,885	
Coronavirus State and Local Fiscal Recovery Funds															
DOE Special Education Services (ASCERS)	21.027	SLFRFDOE1SES	7/1/22-6/30/23	312,871			171,243	312,871				(141,628)		141,628	
DOE Special Education Services (ASCERS)	21.027	SLFRFDOE1SES	7/1/21-6/30/22	411,791	(197,010)		197,010								
ESEA															
Title I	84.010	S010A220030	7/1/22-9/30/23	105,204		47,985	62,344	143,559	(47,985)			(90,845)	9,630	81,215	
Title I	84.010	S010A210030	7/1/21-9/30/22	115,048	(74,289)	(47,985)	74,289	47,985							
Title II-A	84.367	S367A220029	7/1/22-9/30/23	50,620		30,684	38,734	50,385	(30,684)			(42,570)	30,919	11,651	
Title II-A	84.367	S367A210029	7/1/21-9/30/22	55,194	(67,750)	(30,684)	67,750	30,684							
Title III	84.365	S365A220030	7/1/22-9/30/23	14,305		1,182	3,799	13,926	(1,182)			(11,688)	1,561	10,127	
Title III	84.365	S365A210030	7/1/21-9/30/22	10,191	(9,257)	(1,182)	9,257		1,182						
Title III Inmigrant	84.365	S365A210030	7/1/21-9/30/22	-	(4,736)		4,736								
Title IV	84.424	S424A220031	7/1/22-9/30/23	10,000		10,000	18,000	18,000	(10,000)			(2,000)	2,000	-	
Title IV	84.424	S424A210031	7/1/21-9/30/22	10,000	(9,709)	(10,000)	9,709		10,000						
Total Special Revenue Fund					(1,305,034)	-	2,685,872	1,875,952	-	193	(193)	(1,138,230)	643,116	495,114	
Total Federal Financial Awards					\$ (1,305,034)	\$ -	\$ 2,852,592	\$ 2,042,672	\$ -	\$ 193	\$ (193)	\$ (1,138,230)	\$ 643,116	\$ 495,114	

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022		Cash Received	Budgetary Expenditures	Refund of Prior Year Balances	June 30, 2023			MEMO		
				Unearned Revenue/ (Accts Rec.)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education														
General Fund:														
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 3,369,797			\$ 3,053,414	\$ 3,369,797		\$ (316,383)				\$ 3,369,797	
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	2,711,016	\$ (253,503)		253,503							70,614	
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	70,614			62,177	70,614		(8,437)				-	
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	70,614	(7,061)		7,061							-	
Total State Aid Public Cluster				(260,564)		3,376,155	3,440,411		(324,820)				3,440,411	
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	1,018,949			921,925	1,018,949		(97,024)				1,018,949	
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	1,018,949	(101,895)		101,895							-	
Nonpublic Transportation Reimbursement	not available	7/1/22-6/30/23	65,002			65,002			(65,002)			\$ (65,002)	65,002	
Nonpublic Transportation Reimbursement	not available	7/1/21-6/30/22	58,342	(58,342)		58,342							-	
Transportation Aid Cluster				(160,237)		1,082,162	1,083,951		(162,026)			(65,002)	1,083,951	
Extraordinary Aid	23-100-034-5120-473	7/1/22-6/30/23	2,762,394				2,762,394		(2,762,394)				2,762,394	
Extraordinary Aid	22-100-034-5120-473	7/1/21-6/30/22	3,063,975	(3,063,975)		3,063,975							-	
On Behalf TPAF														
Pension Contribution	23-495-034-5094-002	7/1/22-6/30/23	13,288,404			13,288,404	13,288,404						13,288,404	
Pension Contribution - NCGI	23-495-034-5094-004	7/1/22-6/30/23	184,362			184,362	184,362						184,362	
Post Retirement Medical Contr.	23-495-034-5094-001	7/1/22-6/30/23	3,539,263			3,539,263	3,539,263						3,539,263	
Long Term Disability Insurance Contributions	23-495-034-5094-004	7/1/22-6/30/23	4,844			4,844	4,844						4,844	
Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	2,738,723			2,602,982	2,738,723		(135,741)			(135,741)	2,738,723	
Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	2,707,598	(134,596)		134,596							-	
Total General Fund				(3,619,372)		27,276,743	27,042,352		(3,384,981)			(200,743)	27,042,352	
Special Revenue Fund:														
New Jersey Nonpublic Aid														
Auxiliary Services														
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	1,792	-	\$ 1,792	-	-	\$ 1,792	-	-	\$ -	-	-	
Total Chapter 192 Cluster				-	1,792	-	-	1,792	-	-	-	-	-	
Handicapped Services														
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	12,897			12,897	11,598				\$ 1,299		11,598	
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	11,811			11,811	11,718				93		11,718	
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	13,764		186			186					-	
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	1,652			1,652	869				783		869	
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	2,478	-	826	-	-	826	-	-	-	-	-	
Total Chapter 193 Cluster				-	1,012	26,360	24,185	1,012	-	-	2,175	-	24,185	
New Jersey Nonpublic Aid														
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	13,794			13,794	12,469				1,325		12,469	
Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	11,464		3,296			3,296					-	
Nursing Services	23-100-034-5120-070	7/1/22-6/30/23	23,408			23,408	20,264				3,144		20,264	
Nursing Services	22-100-034-5120-070	7/1/21-6/30/22	21,392		4,306			4,306					-	
Technology	23-100-034-5120-373	7/1/22-6/30/23	8,778			8,778	7,776				1,002		7,776	
Technology	22-100-034-5120-373	7/1/21-6/30/22	8,022		305			305					-	
Security	23-100-034-5120-509	7/1/22-6/30/23	42,845			42,845	31,701				11,144		31,701	
Security	22-100-034-5120-509	7/1/21-6/30/22	33,425		8,625			8,625					-	
Alyssa's Law	not available	7/1/20-6/30/21	203,646	(108,719)			94,927		(203,646)			(203,646)	94,927	
SDA - Capital and Emergent Needs Grant	not available	7/1/22-6/30/23	82,104	-	-	-	-	-	(82,104)	\$ 82,104	-	-	-	
Total Special Revenue Fund				(108,719)	19,336	115,185	191,322	19,336	(285,750)	82,104	18,790	(203,646)	191,322	

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022		Cash Received	Budgetary Expenditures	Refund of Prior Year Balances	June 30, 2023			MEMO		
				Unearned Revenue/ (Accts Rec.)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
Debt Service Fund														
Debt Service Aid	23-100-034-5120-075	7/1/22-6/30/23	\$ 385,832	-	-	\$ 385,832	\$ 385,832	-	-	-	-	-	-	\$ 385,832
Total Debt Service Fund				-	-	385,832	385,832	-	-	-	-	-	-	385,832
Total State Financial Assistance				(3,728,091)	19,336	27,777,760	27,619,506	19,336	(3,670,731)	82,104	18,790	(404,389)	27,619,506	
State Financial Assistance Programs Not Subject to Calculation for Single Audit and Major Program Determination (On-Behalf TPAF)														
Pension Contribution	23-495-034-5094-002	7/1/22-6/30/23	13,288,404			(13,288,404)	(13,288,404)							(13,288,404)
Pension Contribution - NCGI	23-495-034-5094-004	7/1/22-6/30/23	184,362			(184,362)	(184,362)							(184,362)
Post Retirement Medical Contr.	23-495-034-5094-001	7/1/22-6/30/23	3,539,263			(3,539,263)	(3,539,263)							(3,539,263)
Long Term Disability Insurance Contribution	23-495-034-5094-004	7/1/22-6/30/23	4,844			(4,844)	(4,844)							(4,844)
Total State Financial Assistance Subject to Calculation for Single Audit and Major Program Determination				\$ (3,728,091)	\$ 19,336	\$ 10,760,887	\$ 10,602,633	\$ 19,336	\$ (3,670,731)	\$ 82,104	\$ 18,790	\$ (404,389)	\$ 10,602,633	

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 REPORTING ENTITY

The Montville Township Public Schools (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedules are prepared and presented using 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 the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board’s financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$242,196 for the general fund and an increase of \$263,770 for the special revenue fund. See the Notes to Required Supplementary Information 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 financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 166,720	\$ 27,284,548	\$ 27,451,268
Special Revenue Fund	2,073,836	267,208	2,341,044
Debt Service Fund	<u>-</u>	<u>385,832</u>	<u>385,832</u>
Total Financial Assistance	<u>\$ 2,240,556</u>	<u>\$ 27,937,588</u>	<u>\$ 30,178,144</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 6 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$2,738,723, represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$13,472,766, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$3,539,263, and TPAF Long-Term Disability Insurance in the amount of \$4,844 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 8 DE MINIMIS INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Part 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? yes X no

2) Were significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to the basic financial statements noted? yes X no

Federal Awards Section

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

2) Were significant Deficiencies identified that are not considered to be material weaknesses? yes X none reported

Type of auditor's report 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 U.S. Uniform Guidance? yes X no

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>Coronavirus Response and Relief Supplemental Act (CRRSA - ESSER II)</u>
<u>84.425U</u>	<u>S425U10027</u>	<u>American Rescue Plan - (ARP - ESSER)</u>
<u>84.027</u>	<u>H027A220100</u>	<u>IDEA Basic</u>
<u>84.027X</u>	<u>H027A220100</u>	<u>ARP - IDEA Basic</u>
<u>84.173</u>	<u>H173A220114</u>	<u>IDEA Preschool</u>
<u>84.173X</u>	<u>H173A220114</u>	<u>ARP - IDEA Preschool</u>

Dollar threshold used to determine Type A programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section III - Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by the U.S. Uniform Guidance and New Jersey OMB Circular 15-08

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.