



Montville Township Public Schools™

EDUCATE. INSPIRE. EMPOWER.

ANNUAL COMPREHENSIVE FINANCIAL REPORT
for the Fiscal Year-Ended June 30, 2024

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, 2024**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



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, 2024 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, 2024, 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 2023-2024 fiscal year with an enrollment of 3,438 students, including out-of-district placements, which is 5 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
2023-2024	3438	0.15%
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%

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 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 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,



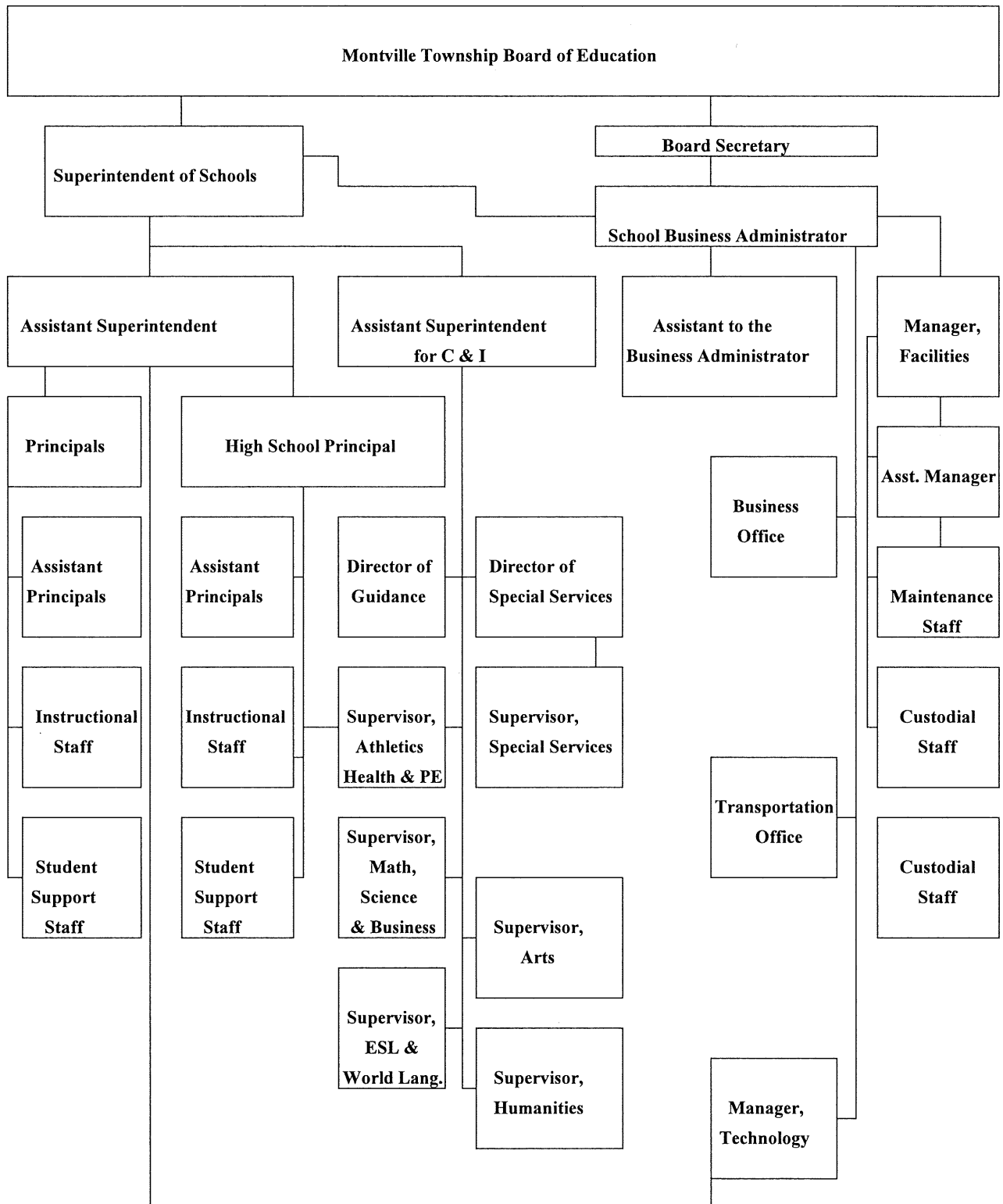
Thomas Gorman
Superintendent of Schools
Montville Township Public Schools



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

**BOARD OF EDUCATION
MONTVILLE TOWNSHIP
Organizational Chart**

as of June 30, 2024



**BOARD OF EDUCATION
MONTVILLE TOWNSHIP
Roster of Officials**

as of June 30, 2024

Members of the Board of Education

Term Expires

David Modrak	President	2024
Michelle Zuckerman	Vice President	2026
Karen Cortellino	Member	2024
Joseph Daughtry	Member	2026
Christine Fano	Member	2025
Charles Grau	Member	2024
Michael Palma	Member	2026
John Petrozzino	Member	2025
Michael Rappaport	Member	2025

Other Officials

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

**BOARD OF EDUCATION
MONTVILLE TOWNSHIP
Consultants and Advisors**

as of June 30, 2024

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 financial statements of the governmental activities, the business-type activities and each major fund of the Montville Township Public Schools, as of and for the fiscal year ended June 30, 2024 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Montville Township Public Schools as of June 30, 2024, 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 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 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.

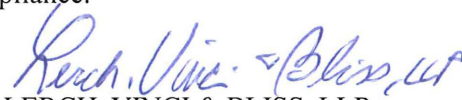
Other Information

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 December 5, 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
December 5, 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, 2024
(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, 2024. 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, 2024. 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 Activities 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 Activities 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 Statement of Activities, 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 Activities, 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 Activities) 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, Statement 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 Activities).

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, 2024
(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.

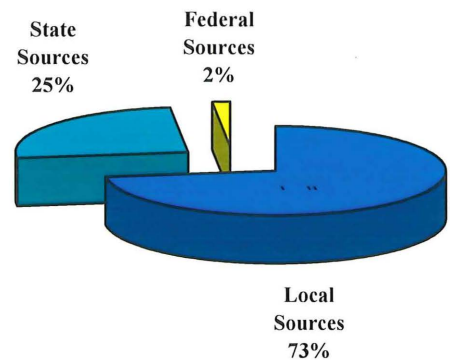
The District's ability to provide these exceptional learning experiences to the students of Montville Township requires strong fiscal management. To that end, the District manages its fiscal spending through the development of an annual budget in accordance with the New Jersey State statutes. This budget 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 2023-2024 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 2023-2024 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 2023-2024 school year are noted below under *Viewing the Governmental 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 2.85% 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 decrease in Federal Sources related to the expiration of federal funding for pandemic related expenses.

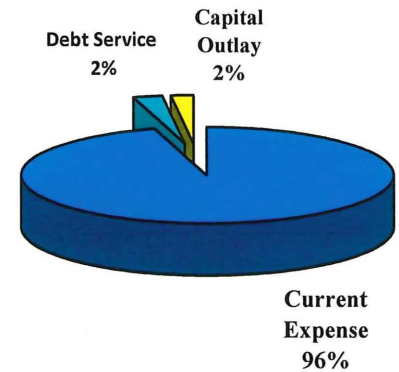
Revenue Source	2024	2023	\$ Variance	% Variance
Local Sources	\$82,009,010	\$79,590,347	\$2,418,663	3.04%
State Sources	29,041,335	27,937,588	1,103,747	3.95%
Federal Sources	1,844,511	2,240,556	(396,045)	(17.68%)
TOTAL	\$112,894,856	\$ 109,768,491	\$3,126,365	2.85%



As seen in the following schedule, the Governmental Expenditures increased by 2.18% 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, 2024
(Unaudited)

Expenditure Use	2024	2023	\$ Variance	% Variance
Current				
Instructional	\$66,994,052	\$63,754,552	\$3,239,500	5.08%
Support Services	41,579,035	38,043,737	3,535,298	9.29%
Capital Outlay	2,748,069	6,608,197	(3,860,128)	(58.41%)
Debt Service:				
Principal	1,648,525	2,087,836	(439,311)	(21.04%)
Interest & Other	549,511	602,883	(53,372)	(8.85%)
TOTAL	\$113,519,192	\$111,097,205	\$2,421,987	2.18%



Viewing the District as a Whole:

The net outcome of the Governmental Funds resulted in a negative net change in fund balance of \$506,013; this change is primarily the result of expenditures, which were funded by capital reserve, maintenance reserve and fund balance 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	
	2024	2023	2024	2023
Assets				
Current & Other Assets	\$ 17,088,404	\$ 17,184,299	\$ 1,205,863	\$ 970,777
Capital Assets, net	47,591,564	48,516,130	179,000	93,369
Total Assets	\$ 64,679,968	\$ 65,700,429	\$ 1,384,863	\$ 1,064,146
Deferred Outflows of Resources	\$ 876,769	\$ 1,461,760	\$ -0-	\$ -0-
Total Assets & Deferred Outflows	\$ 65,556,737	\$ 67,162,187	\$ 1,384,863	\$ 1,064,146
Liabilities				
Long-Term Liabilities	\$ 29,658,360	\$ 31,104,675	\$ -0-	\$ -0-
Other Liabilities	3,188,252	2,781,515	89,160	111,675
Total Liabilities	\$ 32,846,612	\$ 33,886,190	\$ 89,160	\$ 111,675
Deferred Inflows of Resources	\$ 1,594,096	\$ 3,034,359	\$ -0-	\$ 0
Total Liabilities & Deferred Inflows	\$ 34,440,708	\$ 36,920,549	\$ 89,160	\$ 111,675
Net Position				
Net Investment in Capital Assets	\$ 31,033,311	\$ 30,726,678	\$ 179,000	\$ 93,369
Restricted Balances	11,373,707	11,016,728		0
Operating Unrestricted (deficit)	(11,290,989)	(11,501,766)	1,116,703	859,102
Total Net Position	\$ 31,116,029	\$ 30,241,640	\$1,295,703	\$ 952,471

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
Management Discussion and Analysis for the Fiscal Year Ended June 30, 2024
(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 2023 and 2024 year-end. When comparing the two years, the District's Net Position from Governmental Activities improved by 2.89%. As for the Business-Type Activities, which include the District's food service and after-care programs, these saw an increase of 36.04% 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	
	2024	2023	2024	2023
REVENUES				
Program Revenues:				
Charges for Service	\$ 1,246,543	\$ 1,296,267	\$ 2,347,020	\$ 2,108,763
Grants and Contributions	21,714,345	22,618,774	0	0
General Revenues:				
Property Taxes	79,587,009	77,215,525	0	0
Grants and Entitlements	339,999	288,164	0	0
Other General Revenues	<u>1,064,905</u>	<u>1,040,705</u>	<u>6,819</u>	<u>4,885</u>
Total Revenues	<u>\$ 103,952,801</u>	<u>\$ 102,459,435</u>	<u>\$ 2,353,839</u>	<u>\$ 2,113,648</u>
EXPENSES				
Instruction	\$ 63,398,454	\$ 60,595,826	0	0
Support Services:				
Pupil and Instructional Services	14,828,827	14,421,055	0	0
Administration, Operations & Maintenance	17,090,309	15,224,727	0	0
Pupil Transportation	6,997,665	6,148,933	0	0
Interest on Debt	546,130	486,342	0	0
Business-Type Activities	<u>0</u>	<u>0</u>	<u>\$ 2,227,634</u>	<u>\$ 1,905,267</u>
Total Expenses	<u>102,861,385</u>	<u>\$ 96,876,883</u>	<u>\$ 2,227,634</u>	<u>\$ 1,905,267</u>
Transfers	<u>(217,027)</u>	<u>(148,069)</u>	<u>217,027</u>	<u>148,069</u>
Increase in Net Position	<u>\$ 874,389</u>	<u>\$ 5,434,483</u>	<u>\$ 343,232</u>	<u>\$ 356,450</u>

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
Management Discussion and Analysis for the Fiscal Year Ended June 30, 2024
(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, 2024, the district had \$102,413,711 in capital assets, with \$54,822,147 of accumulated depreciation, related to Governmental Activities.

Summary of Capital Assets	Governmental Activities		Business-Type Activities	
	2024	2023	2024	2023
Sites & Site Improvements, net	\$ 6,090,682	\$ 4,920,667	\$ 0	\$ 0
Buildings & Building Improvements, net	40,219,504	42,359,495	0	0
Machinery & Equipment, net	<u>1,281,378</u>	<u>1,235,968</u>	<u>\$ 179,000</u>	<u>\$ 93,369</u>
Capital Assets, net	<u>\$ 47,591,564</u>	<u>\$ 48,516,130</u>	<u>\$ 179,000</u>	<u>\$ 93,369</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 (\$1,096,014), capital and other financing agreements (\$3,589,537), net pension liability (\$10,972,809) and outstanding serial bonds for the District's construction projects (\$14,000,000). For the serial bonds, the related issuance is noted below:

Summary of Outstanding Bonded Debt	Governmental Activities		Business-Type Activities	
	2024	2023	2024	2023
2018 Bond Issuance	<u>\$14,000,000</u>	<u>\$ 15,000,000</u>	<u>0</u>	<u>0</u>
Outstanding Bonded Debt	<u>\$14,000,000</u>	<u>\$ 15,000,000</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, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 15,900,860	\$ 1,201,111	\$ 17,101,971
Receivables, net			
Receivables from Other Governments	1,155,058		1,155,058
Accounts	15,482	7,386	22,868
Inventories		14,370	14,370
Internal Balances	17,004	(17,004)	
Capital Assets			
Being Depreciated, Net	47,591,564	179,000	47,770,564
Total Assets	64,679,968	1,384,863	66,064,831
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	876,769	-	876,769
Total Deferred Outflows of Resources	876,769	-	876,769
Total Assets and Deferred Outflows of Resources	65,556,737	1,384,863	66,941,600
LIABILITIES			
Accounts Payable and Other Current Liabilities	2,532,447	3,317	2,535,764
Payable to Other Governments	30,203		30,203
Unearned Revenue	366,624	85,843	452,467
Accrued Interest Payable	258,978		258,978
Noncurrent Liabilities			
Due Within One Year	1,558,951		1,558,951
Due Beyond One Year	28,099,409		28,099,409
Total Liabilities	32,846,612	89,160	32,935,772
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	1,594,096	-	1,594,096
Total Deferred Inflows of Resources	1,594,096	-	1,594,096
Total Liabilities and Deferred Inflows of Resources	34,440,708	89,160	34,529,868
NET POSITION			
Net Investment in Capital Assets	31,033,311	179,000	31,212,311
Restricted for:			
Capital Projects	8,227,368		8,227,368
Maintenance	2,262,856		2,262,856
Other Purposes	883,483		883,483
Unrestricted	(11,290,989)	1,116,703	(10,174,286)
Total Net Position	\$ 31,116,029	\$ 1,295,703	\$ 32,411,732

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, 2024**

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	\$ 40,640,221	\$ 187,842	\$ 5,567,123		\$ (34,885,256)		\$ (34,885,256)
Special Education	17,088,495		9,527,584		(7,560,911)		(7,560,911)
Other Instruction	2,693,588		422,154		(2,271,434)		(2,271,434)
School Sponsored Activities and Athletics	2,976,150	733,106	294,587		(1,948,457)		(1,948,457)
Support Services							
Student and Instruction Related Svcs.	14,828,827		2,713,687		(12,115,140)		(12,115,140)
General Administrative Services	2,792,085		218,080		(2,574,005)		(2,574,005)
School Administrative Services	4,530,307		699,390		(3,830,917)		(3,830,917)
Plant Operations and Maintenance	7,526,173		558,739	\$ 56,378	(6,911,056)		(6,911,056)
Pupil Transportation	6,997,665	325,595	1,171,471		(5,500,599)		(5,500,599)
Business Services	2,241,744		154,700		(2,087,044)		(2,087,044)
Interest on Long-Term Debt	546,130		330,452		(215,678)		(215,678)
Total Governmental Activities	102,861,385	1,246,543	21,657,967	56,378	(79,900,497)	-	(79,900,497)
Business-Type Activities							
Food Service	1,450,278	1,304,568				\$ (145,710)	(145,710)
Extended Day Learning Center	777,356	1,042,452	-			265,096	265,096
Total Business-Type Activities	2,227,634	2,347,020	-	-	-	119,386	119,386
Total Primary Government	\$105,089,019	\$ 3,593,563	\$ 21,657,967	\$ 56,378	(79,900,497)	119,386	(79,781,111)
General Revenues and Transfers:							
Property Taxes - General Purposes					78,627,608		78,627,608
Property Taxes - Debt Service					959,401		959,401
State Aid - Restricted for Debt Service					339,999		339,999
Investment Earnings					917,330	6,819	924,149
Miscellaneous Income					147,575		147,575
Transfers					(217,027)	217,027	-
Total General Revenues and Transfers					80,774,886	223,846	80,998,732
Change in Net Position					874,389	343,232	1,217,621
Net Position, July 1, 2023					30,241,640	952,471	31,194,111
Net Position, June 30, 2024					\$ 31,116,029	\$ 1,295,703	\$ 32,411,732

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

FUND FINANCIAL STATEMENTS

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 15,337,667	\$ 489,921	\$ 68,471	\$ 4,801	\$ 15,900,860
Receivables					
Due From Other Funds	719,695	27		3,581	723,303
Intergovernmental	235,936	919,122			1,155,058
Other	3,808	11,674			15,482
Total Assets	<u>\$ 16,297,106</u>	<u>\$ 1,420,744</u>	<u>\$ 68,471</u>	<u>\$ 8,382</u>	<u>\$ 17,794,703</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 254,616	\$ 55,638			\$ 310,254
Payroll Deductions and Withholding Payable	456,162				456,162
Deposits Payable	1,766,031				1,766,031
Due To Other Funds	35,743	666,975	\$ 3,581		706,299
Payable to Other Governments		30,203			30,203
Unearned Revenue	189,409	177,215			366,624
Total Liabilities	<u>2,701,961</u>	<u>930,031</u>	<u>3,581</u>	<u>-</u>	<u>3,635,573</u>
Fund Balances					
Restricted					
Capital Reserve	2,389,332				2,389,332
Capital Reserve, Designated for					
Subsequent Year's Budget	5,838,036				5,838,036
Maintenance Reserve	1,575,184				1,575,184
Maintenance Reserve, Designated for					
Subsequent Year's Budget	687,672				687,672
Unemployment Compensation Reserve	375,350				375,350
Escrow	9,038				9,038
Student Activities and Athletics		470,141			470,141
Scholarship Awards		20,572			20,572
Capital Projects			64,890		64,890
Debt Service				\$ 8,382	8,382
Committed					
Encumbrances	342,864				342,864
Assigned					
Encumbrances	795,224				795,224
Designated for Subsequent Year's					
Budget	2,064,079				2,064,079
Unassigned	(481,634)	-	-	-	(481,634)
Total Fund Balances	<u>13,595,145</u>	<u>490,713</u>	<u>64,890</u>	<u>8,382</u>	<u>14,159,130</u>
Total Liabilities and Fund Balances	<u>\$ 16,297,106</u>	<u>\$ 1,420,744</u>	<u>\$ 68,471</u>	<u>\$ 8,382</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 \$102,413,711 and the accumulated depreciation is \$54,822,147.	47,591,564
Deferred Inflows and Outflows related to the net pension liability are not reported in the funds. (See Note 2)	(717,327)
The District has financed capital assets through the issuance of general obligation bonds. The accrued interest at year end is:	(258,978)
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).	(29,658,360)
Net Position of Governmental Activities (Exhibit A-1)	<u>\$ 31,116,029</u>

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Taxes	\$ 78,627,608			\$ 959,401	\$ 79,587,009
Tuition	187,842				187,842
Transportation	325,595				325,595
Interest	913,749		\$ 3,581		917,330
Miscellaneous	147,575	\$ 843,659	-		991,234
Total - Local Sources	80,202,369	843,659	3,581	959,401	82,009,010
State Sources	28,413,599	133,037		494,699	29,041,335
Federal Sources	16,338	1,828,173	-	-	1,844,511
Total Revenues	108,632,306	2,804,869	3,581	1,454,100	112,894,856
EXPENDITURES					
Current					
Instruction					
Regular Instruction	41,507,420	341,679			41,849,099
Special Education Instruction	17,904,164	968,651			18,872,815
Other Instruction	3,056,702				3,056,702
School Sponsored Activities and Athletics	2,575,891	639,545			3,215,436
Support Services and Undistributed Costs					
Student and Instruction Related Services	15,862,109	692,376			16,554,485
General Administrative Services	2,692,416				2,692,416
School Administrative Services	5,127,182				5,127,182
Plant Operations and Maintenance	7,688,922				7,688,922
Pupil Transportation	6,990,051				6,990,051
Business/Central Services	2,525,979				2,525,979
Debt Service					
Principal	648,525			1,000,000	1,648,525
Interest and Other Charges	94,511			455,000	549,511
Capital Outlay	2,691,691	56,378	-	-	2,748,069
Total Expenditures	109,365,563	2,698,629	-	1,455,000	113,519,192
Excess (Deficiency) of Revenues Over Expenditures	(733,257)	106,240	3,581	(900)	(624,336)
OTHER FINANCING SOURCES (USES)					
Other Financing Agreement Proceeds	335,350				335,350
Transfers In				3,581	3,581
Transfers Out	(217,027)		(3,581)		(220,608)
Total Other Financing Sources and Uses	118,323	-	(3,581)	3,581	118,323
Net Change in Fund Balances	(614,934)	106,240	-	2,681	(506,013)
Fund Balance, July 1, 2023	14,210,079	384,473	64,890	5,701	14,665,143
Fund Balance, June 30, 2024	\$ 13,595,145	\$ 490,713	\$ 64,890	\$ 8,382	\$ 14,159,130

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, 2024

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (506,013)**

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	\$ (3,672,635)	
Capital Outlay	<u>2,748,069</u>	
		(924,566)

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	(335,350)	
Principal Repayments		
Serial Bonds	1,000,000	
Capital and Other Financing Agreements	<u>648,525</u>	
		1,313,175

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	3,381	
Decrease in Net Pension Liability	935,093	
Net Decrease in Compensated Absences	<u>53,319</u>	
		<u>991,793</u>

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 874,389**

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

	<u>Enterprise Funds</u>		
	<u>Food Service Fund</u>	<u>MEDLC Fund</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 16,648	\$ 1,184,463	\$ 1,201,111
Receivables			
Other	6,486	900	7,386
Due from Other Funds	35,743		35,743
Inventory	14,370	-	14,370
Total Current Assets	<u>73,247</u>	<u>1,185,363</u>	<u>1,258,610</u>
Capital Assets			
Furniture, Machinery and Equipment	474,228		474,228
Less: Accumulated Depreciation	<u>(295,228)</u>	<u>-</u>	<u>(295,228)</u>
Total Capital Assets, Net	<u>179,000</u>	<u>-</u>	<u>179,000</u>
Total Assets	<u>252,247</u>	<u>1,185,363</u>	<u>1,437,610</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	684	2,633	3,317
Due to Other Funds		52,747	52,747
Unearned Revenue	40,866	44,977	85,843
Total Current Liabilities	<u>41,550</u>	<u>100,357</u>	<u>141,907</u>
NET POSITION			
Investment in Capital Assets	179,000		179,000
Unrestricted	<u>31,697</u>	<u>1,085,006</u>	<u>1,116,703</u>
Total Net Position	<u>\$ 210,697</u>	<u>\$ 1,085,006</u>	<u>\$ 1,295,703</u>

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, 2024**

	<u>Enterprise Funds</u>		
	<u>Food Service Fund</u>	<u>MEDLC Fund</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services			
Daily Sales	\$ 1,289,335		\$ 1,289,335
Special Functions	15,233		15,233
Program Fees	-	\$ 1,042,452	1,042,452
	<u>1,304,568</u>	<u>1,042,452</u>	<u>2,347,020</u>
Total Operating Revenues			
OPERATING EXPENSES			
Salaries and Wages	666,271	576,923	1,243,194
Social Security Contributions		44,025	44,025
Management Fee	112,492		112,492
Other Purchased Services	30,022		30,022
Supplies and Materials	27,960	7,025	34,985
Utilities		144,725	144,725
Miscellaneous	27,660	4,658	32,318
Cost of Sales	574,311		574,311
Depreciation	11,562	-	11,562
	<u>1,450,278</u>	<u>777,356</u>	<u>2,227,634</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(145,710)</u>	<u>265,096</u>	<u>119,386</u>
NONOPERATING REVENUES			
Interest Income	<u>6,819</u>	<u>-</u>	<u>6,819</u>
	<u>6,819</u>	<u>-</u>	<u>6,819</u>
Total Nonoperating Revenues			
Income (Loss) Before Transfers	(138,891)	265,096	126,205
Transfer in	<u>217,027</u>	<u>-</u>	<u>217,027</u>
Change in Net Position	78,136	265,096	343,232
Net Position, July 1, 2023	<u>132,561</u>	<u>819,910</u>	<u>952,471</u>
Net Position, June 30, 2024	<u>\$ 210,697</u>	<u>\$ 1,085,006</u>	<u>\$ 1,295,703</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, 2024**

	Enterprise Funds		
	Food Service Fund	MEDLC Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from Customers	\$ 1,337,146	\$ 1,039,734	\$ 2,376,880
Payments for Employees Salaries and Benefits	(666,271)	(622,083)	(1,288,354)
Payments to Suppliers for Goods and Services	(813,299)	(154,975)	(968,274)
Net Cash Provided by (Used for) Operating Activities	(142,424)	262,676	120,252
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Receipts from Other Funds	232,235	48,869	281,104
Net Cash Provided by Non-Capital Financing Activities	232,235	48,869	281,104
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(97,193)	-	(97,193)
Net Cash (Used for) Capital and Related Financing Activities	(97,193)	-	(97,193)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	6,819	-	6,819
Net Cash Provided By Investing Activities	6,819	-	6,819
Net Change in Cash and Cash Equivalents	(563)	311,545	310,982
Cash and Cash Equivalents, July 1, 2023	17,211	872,918	890,129
Cash and Cash Equivalents, June 30, 2024	\$ 16,648	\$ 1,184,463	\$ 1,201,111
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (145,710)	\$ 265,096	\$ 119,386
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	11,562		11,562
Change in Assets and Liabilities			
(Increase) / Decrease in Accounts Receivable	22,601		22,601
Increase / (Decrease) in Accounts Payable	(30,756)	1,433	(29,323)
Increase / (Decrease) in Unearned Revenue	9,977	(2,718)	7,259
(Increase) / Decrease in Inventory	(10,098)	-	(10,098)
Total Adjustments	3,286	(2,420)	866
Net Cash Provided by (Used for) Operating Activities	\$ (142,424)	\$ 262,676	\$ 120,252

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, 2024**

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 2024, the District adopted the following GASB statements:

- 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.

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

- 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.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 102, *Certain Risk Disclosures*, will be effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

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, 2024**

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 and enterprise 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 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, 2024**

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, 2024**

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 one 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 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, 2024**

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, 2024**

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 2024/2025 original 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 2024/2025 original budget certified for taxes.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 2024/2025 original 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, 2024**

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 2022/2023 and 2023/2024 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.

4. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system.

Revenues and expenses of governmental activities include the State's proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system.

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

5. *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	\$ 14,000,000
Capital Financing Agreements	2,623,143
Other Financing Agreements	966,394
Compensated Absences	1,096,014
Net Pension Liability	<u>10,972,809</u>
	<u>\$ 29,658,360</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	\$ 876,769
Deferred Inflows of Resources	
Deferred Amount on Net Pension Liability	<u>(1,594,096)</u>
	<u>\$ (717,327)</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, 2024**

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 2023/2024. Also, during 2023/2024 the Board increased the original General Fund budget by \$2,453,720 and Special Revenue Fund budget by \$1,111,805. The increase in the general fund was funded by capital reserve, escrow funds and the reappropriation of prior year encumbrances. The increase in the Special Revenue Fund was funded by additional grant awards, student activities and scholarships.

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 \$481,634 in the General Fund as of June 30, 2024 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 2023/2024 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, 2024

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 \$481,634 in the General Fund is less than the delayed state aid payments at June 30, 2024.

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, 2024 is as follows:

Balance, July 1, 2023		\$ 7,946,338
Increased by:		
Interest Earned	\$ 1,500	
Unexpended Budgeted Withdrawal	1,475,868	
Deposits Approved by Board Resolution	<u>1,250,000</u>	
		<u>2,727,368</u>
		10,673,706
Withdrawals		
Approved in District Budget	(2,402,424)	
Re-appropriation of Previously Approved Withdrawal	<u>(43,914)</u>	
		<u>(2,446,338)</u>
Balance, June 30, 2024		<u>\$ 8,227,368</u>

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

\$5,838,036 of the capital reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024 is as follows:

Balance, July 1, 2023		\$ 2,289,014
Increased by:		
Interest Earned	\$ 1,000	
Unexpended Budgeted Withdrawal	372,842	
Deposit by Board Resolution	<u>100,000</u>	
		<u>473,842</u>
		2,762,856
Withdrawals		
Approved in District Budget		<u>(500,000)</u>
Balance, June 30, 2024		<u>\$ 2,262,856</u>

The June 30, 2024 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$3,167,919.

\$687,672 of the maintenance reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 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, 2024**

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, 2024, the book value of the Board's deposits was \$17,101,971 and bank and brokerage firm balances of the Board's deposits amounted to \$20,446,539. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 17,516,690
Uninsured and Collateralized	<u>2,929,849</u>
	<u>\$ 20,446,539</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 \$2,929,849 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>\$ 2,929,849</u>
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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, 2024, the Board had no outstanding investments.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

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.

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, 2024 for the district's individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>MEDLC</u>	<u>Total</u>
Receivables:					
Accounts	\$ 3,808	\$ 11,674	6,486	\$ 900	\$ 22,868
Intergovernmental					
Federal		919,122			919,122
State	235,936	-	-	-	235,936
Gross Receivables	239,744	930,796	6,486	900	1,177,926
Less: Allowance for					
Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 239,744</u>	<u>\$ 930,796</u>	<u>\$ 6,486</u>	<u>\$ 900</u>	<u>\$ 1,177,926</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	\$ 153,584
Prepayment of Tuition Fees	31,260
Prepayment of Facilities Use Fees	4,565
Special Revenue Fund	
Unencumbered Grant Draw Downs	88,617
Grant Draw Downs Reserved for Encumbrances	88,598
Total Unearned Revenue for Governmental Funds	<u>\$ 366,624</u>

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance, July 1, 2023	Increases	Adjustments/ Decreases	Balance, June 30, 2024
Governmental Activities:				
Capital Assets, Being Depreciated:				
Buildings	\$ 85,873,985	\$ 673,473		\$ 86,547,458
Improvements Other Than Buildings	8,079,399	1,549,759		9,629,158
Machinery and Equipment	<u>5,712,258</u>	<u>524,837</u>	<u>-</u>	<u>6,237,095</u>
Total Capital Assets Being Depreciated	<u>99,665,642</u>	<u>2,748,069</u>	<u>-</u>	<u>102,413,711</u>
Less Accumulated Depreciation for:				
Buildings	(43,514,490)	(2,813,464)		(46,327,954)
Improvements Other Than Buildings	(3,158,732)	(379,744)		(3,538,476)
Machinery and Equipment	<u>(4,476,290)</u>	<u>(479,427)</u>	<u>-</u>	<u>(4,955,717)</u>
Total Accumulated Depreciation	<u>(51,149,512)</u>	<u>(3,672,635)</u>	<u>-</u>	<u>(54,822,147)</u>
Total Capital Assets, Being Depreciated, Net	<u>48,516,130</u>	<u>(924,566)</u>	<u>-</u>	<u>47,591,564</u>
Governmental Activities Capital Assets, Net	<u>\$ 48,516,130</u>	<u>\$ (924,566)</u>	<u>\$ -</u>	<u>\$ 47,591,564</u>
	Balance, July 1, 2023	Increases	Decreases	Balance, June 30, 2024
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 377,035	\$ 97,193	-	\$ 474,228
Total Capital Assets Being Depreciated	<u>377,035</u>	<u>97,193</u>	<u>-</u>	<u>474,228</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(283,666)	(11,562)	-	(295,228)
Total Accumulated Depreciation	<u>(283,666)</u>	<u>(11,562)</u>	<u>-</u>	<u>(295,228)</u>
Total Capital Assets, Being Depreciated, Net	<u>93,369</u>	<u>85,631</u>	<u>-</u>	<u>179,000</u>
Business-Type Activities Capital Assets, Net	<u>\$ 93,369</u>	<u>\$ 85,631</u>	<u>\$ -</u>	<u>\$ 179,000</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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	\$ 3,285,044
School Sponsored Co-Curricular Activities and Athletics	14,103
Total Instruction	<u>3,299,147</u>

Support Services

Student Support Services	2,057
General Administration	287,250
School Administration	4,701
Operations and Maintenance of Plant	52,083
Transportation	<u>27,397</u>
Total Support Services	<u>373,488</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 3,672,635</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 11,562</u>
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Total Depreciation Expense-Business-Type Activities	<u>\$ 11,562</u>
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Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2024:

<u>Project</u>	<u>Remaining Commitment</u>	<u>Status</u>
Cedar Hill Security Improvements	\$ 134,939	Open
Cedar Hill, William Mason and Woodmont Gym Façade and Woodmont Window Renovations	204,140	Open

The District has the following other significant commitments as of June 30, 2024:

<u>Project</u>	<u>Commitment</u>	<u>Status</u>
Acquisition of Equipment - High School	417,283	Open

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 666,975
Food Service Fund	General Fund	35,743
General Fund	MEDLC Fund	52,720
Debt Service Fund	Capital Projects Fund	3,581
Special Revenue Fund	MEDLC Fund	27
		<u>\$ 759,046</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 In:</u>		
	<u>Debt Service</u>	<u>Food Service</u>	<u>Total</u>
<u>Transfer Out:</u>			
General Fund		\$ 217,027	\$ 217,027
Capital Projects Fund	\$ 3,581	-	3,581
Total Transfers Out	<u>\$ 3,581</u>	<u>\$ 217,027</u>	<u>\$ 220,608</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, 2024**

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, 2024 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%	\$ 1,655,000
\$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>968,143</u>
Total	<u>\$ 2,623,143</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, 2024 are comprised of the following:

\$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	\$ 97,741
\$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	102,014
\$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.	182,926

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements (Continued)

Other Financing Agreements (Continued)

\$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. \$ 248,363

\$335,350 fiscal year 2024 agreement
for the purchase of computers for a term
of 5 years due in annual principal installments
of \$61,161 to \$75,003 through August 2028. 335,350

\$ 966,394

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>	
2025	\$ 178,015	\$ 65,624	\$ 380,936	\$ 34,240	\$ 658,815
2026	189,875	61,052	187,552	24,781	463,260
2027	201,780	56,170	190,176	22,158	470,284
2028	213,730	50,978	132,727	15,500	412,935
2029	225,725	45,475	75,003	3,925	350,128
2030-2034	1,310,275	133,865			1,444,140
2035	<u>303,743</u>	<u>5,860</u>	<u>-</u>	<u>-</u>	<u>309,603</u>
Total	<u>\$ 2,623,143</u>	<u>\$ 419,024</u>	<u>\$ 966,394</u>	<u>\$ 100,604</u>	<u>\$ 4,109,165</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, 2024**

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, 2024 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>\$14,000,000</u>
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The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	1,000,000	305,000	1,305,000
2030-2034	5,000,000	1,075,000	6,075,000
2035-2038	<u>4,000,000</u>	<u>316,250</u>	<u>4,316,250</u>
	<u>\$ 14,000,000</u>	<u>\$ 3,216,250</u>	<u>\$ 17,216,250</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2024 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 216,503,273
Less: Net Debt Issued and Authorized But Not Issued	<u>(14,001,887)</u>
Remaining Borrowing Power	<u>\$ 202,501,386</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

	Balance, <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2024</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 15,000,000		\$ 1,000,000	\$ 14,000,000	\$ 1,000,000
Capital Financing Agreements	2,854,342		231,199	2,623,143	178,015
Other Financing Agreements	1,048,370	\$ 335,350	417,326	966,394	380,936
Net Pension Liability	11,052,630		79,821	10,972,809	
Compensated Absences	<u>1,149,333</u>	<u>1,806</u>	<u>55,125</u>	<u>1,096,014</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 31,104,675</u>	<u>\$ 337,156</u>	<u>\$ 1,783,471</u>	<u>\$ 29,658,360</u>	<u>\$ 1,558,951</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, 2024

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</u> <u>Year</u> <u>Ended</u>	<u>Employer</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2024	NONE	\$ 79,921		\$ 375,350
2023	NONE	76,651		353,818
2022	NONE	74,113		341,224

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, 2024, 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, 2024, 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, 2024

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 by 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, 2024

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 age for their 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, 2024**

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, 2024**

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. Empower Retirement (formerly Prudential) 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, 2023 is \$14.6 billion and the plan fiduciary net position as a percentage of the total pension liability is 65.23%. The collective net pension liability of the State funded TPAF at June 30, 2023 is \$51.1 billion and the plan fiduciary net position as a percentage of total pension liability is 34.68%.

The total pension liabilities for the June 30, 2023 measurement date were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 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 2024.

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024 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 2024, 2023 and 2022 were equal to the required contributions.

During the fiscal years ended June 30, 2024, 2023 and 2022 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:

<u>Year Ended</u> <u>June 30,</u>	<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>	<u>DCRP</u>
2024	\$ 1,012,502	\$ 13,885,722	\$ 20,603
2023	923,567	13,472,766	23,013
2022	922,757	13,428,635	24,061

In addition for fiscal years 2023/2024, 2022/2023 and 2021/2022 the State contributed \$4,944, \$4,844 and \$5,426, 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 \$2,818,145 during the fiscal year ended June 30, 2024 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 based on a measurement date no earlier than the end of the employer's prior fiscal year. 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, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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, 2023 are based on the ratio of each employer’s contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

At June 30, 2024, the District reported in the statement of net position (accrual basis) a liability of \$10,972,809 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. 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, 2023. At June 30, 2023, the District’s proportionate share was .07576 percent, which was an increase of .00253 percent from its proportionate share measured as of June 30, 2022 of .07323 percent.

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$78,750 for PERS. The pension contribution made by the District during the current 2023/2024 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, 2024 with a measurement date of the prior fiscal year end of June 30, 2023. 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, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, 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	\$ 104,914	\$ 44,853
Changes of Assumptions	24,105	664,999
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	50,531	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>697,219</u>	<u>884,244</u>
Total	<u>\$ 876,769</u>	<u>\$ 1,594,096</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024, 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:

<u>Year Ending June 30,</u>	<u>Total</u>
2025	\$ (725,177)
2026	(344,564)
2027	371,407
2028	(25,599)
2029	6,606
Thereafter	<u>-</u>
	<u>\$ (717,327)</u>

Actuarial Assumptions

The District’s total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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, 2022 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, 2024**

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, 2023) 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, 2023 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%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
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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, 2023. 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, 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>\$ 14,284,263</u>	<u>\$ 10,972,809</u>	<u>\$ 8,154,324</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at as of the measurement date of June 30, 2023. A sensitivity analysis specific to the District's net pension liability at June 30, 2023 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
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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 based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2022 through June 30, 2023. 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, 2023, 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, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,075,281 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, 2024 the State's proportionate share of the net pension liability attributable to the District is \$165,883,741. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. 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, 2023. At June 30, 2023, the state's share of the net pension liability attributable to the District was .32505 percent, which was an increase of .00339 percent from its proportionate share measured as of June 30, 2022 of .32166 percent.

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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:	2.75-4.25%
	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, 2022 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
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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, 2023) 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, 2023 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%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2023. 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, 2024

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	\$ 195,607,033	\$ 165,883,741	\$ 140,849,665

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, 2023. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2023 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, 2024

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, 2022:

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>152,383</u>
Total	<u>369,595</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, 2024**

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, 2023 is \$52.4 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, 2023 were determined based on actuarial valuations as of June 30, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the June 30, 2022 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 \$1.44 billion to the OPEB plan in fiscal year 2023.

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, 2024, 2023 and 2022 were \$3,779,186, \$3,539,263 and \$3,137,472, 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, 2024**

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 based on a measurement date no earlier than the end of the employer’s prior fiscal year. 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, 2022 through June 30, 2023. 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, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$4,647,572. 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, 2024 the State’s proportionate share of the OPEB liability attributable to the District is \$136,844,771. 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, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2022, the state’s share of the OPEB liability attributable to the District was .26135 percent, which was an increase of .00397 percent from its proportionate share measured as of June 30, 2022 of .25738 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. 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, 2024**

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)

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 disables 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, 2022 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 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is, increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2023 was 3.65%. 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
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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, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ 130,356,312
Changes Recognized for the Fiscal Year:	
Service Cost	6,186,532
Interest on the Total OPEB Liability	4,819,506
Differences Between Expected and Actual Experience	(1,160,025)
Changes of Assumptions	275,822
Gross Benefit Payments	(3,756,883)
Contributions from the Member	123,507
Net Changes	\$ 6,488,459
Balance, June 30, 2023 Measurement Date	\$ 136,844,771

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

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, 2023.

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 3.65%, 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 (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 160,427,001	\$ 136,844,771	\$ 117,910,978

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>113,602,258</u>	\$ <u>136,844,771</u>	\$ <u>167,257,660</u>

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2023. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2023 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, 2024**

	<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	\$ 78,627,608		\$ 78,627,608	\$ 78,627,608	
Tuition from Individuals	300,000		300,000	187,842	\$ (112,158)
Transportation Revenue	364,000		364,000	325,595	(38,405)
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	40,000		40,000	911,249	871,249
Unrestricted Miscellaneous Revenues	392,500	-	392,500	147,575	(244,925)
Total Local Sources	79,726,608	-	79,726,608	80,202,369	475,761
State Sources					
Special Education Aid	3,758,782		3,758,782	3,758,782	
Security Aid	315,780		315,780	315,780	
Transportation Aid	1,062,219		1,062,219	1,062,219	
Extraordinary Aid	1,800,000		1,800,000	2,317,505	517,505
Non Public Transportation Reimbursement				95,450	95,450
On Behalf TPAF Contributions (Non-Budgeted)					
Pension Contribution				13,729,149	13,729,149
Non Contributory Insurance				156,573	156,573
Post Retirement Medical Contribution				3,779,186	3,779,186
Long Term Disability Insurance				4,944	4,944
Social Security Contribution	-	-	-	2,818,145	2,818,145
Total State Sources	6,936,781	-	6,936,781	28,037,733	21,100,952
Federal Sources					
FEMA - Disaster Recovery Assistance				16,338	16,338
Medicaid Reimbursement	39,419	-	39,419	-	(39,419)
Total Federal Sources	39,419	-	39,419	16,338	(23,081)
Total Revenues	86,702,808	-	86,702,808	108,256,440	21,553,632
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	764,129	\$ (7,000)	757,129	330,053	427,076
Kindergarten	1,278,232	(12,202)	1,266,030	1,076,605	189,425
Grades 1-5	8,465,582	(15,334)	8,450,248	8,053,346	396,902
Grades 6-8	5,399,760	(77,851)	5,321,909	5,237,282	84,627
Grades 9-12	7,690,318	59,418	7,749,736	7,434,839	314,897
Regular Programs - Home Instruction					
Salaries of Teachers	25,000	(12,000)	13,000	12,825	175
Purchased Professional/Educational Services	15,000	30,725	45,725	45,505	220
General Supplies	100		100		100
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	278,141	10,502	288,643	280,705	7,938
Purchased Professional/Educational Services	16,600	(12,704)	3,896	3,895	1
Purchased Technical Services	933,250	149,283	1,082,533	1,082,533	
Other Purchased Services	865,806	(163,474)	702,332	701,293	1,039
General Supplies	537,894	1,012,270	1,550,164	1,539,725	10,439
Textbooks	124,691	147,738	272,429	271,743	686
Other Objects	7,100	(3,042)	4,058	4,057	1
Acquisition Under Other Financing Agreements (Non-Budget)	-	-	-	335,350	(335,350)
Total Regular Programs	26,401,603	1,106,329	27,507,932	26,409,756	1,098,176

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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					
Intellectual Disability - Mild					
Salaries of Teachers	\$ 246,835	\$ (54,030)	\$ 192,805	\$ 181,189	\$ 11,616
Other Salaries for Instruction	150,419	(16,224)	134,195	114,984	19,211
General Supplies	3,400	(2,895)	505	505	-
Total Intellectual Disability - Mild	400,654	(73,149)	327,505	296,678	30,827
Learning and/or Language Disabilities					
Salaries of Teachers	693,454	(136,884)	556,570	505,721	50,849
Other Salaries for Instruction	312,843	(37,657)	275,186	265,211	9,975
General Supplies	7,100	(3,892)	3,208	3,195	13
Total Learning and/or Language Disabilities	1,013,397	(178,433)	834,964	774,127	60,837
Emotional Regulation Impairment					
Salaries of Teachers	226,760	99,396	326,156	317,603	8,553
Other Salaries of Instruction	99,372	52,688	152,060	152,060	
General Supplies	3,400	(963)	2,437	2,317	120
Total Behavioral Disabilities	329,532	151,121	480,653	471,980	8,673
Multiple Disabilities					
Salaries of Teachers	148,415	(9,694)	138,721	135,146	3,575
Other Salaries of Instruction	432,501	(8,104)	424,397	382,441	41,956
General Supplies	4,000	(3,373)	627	627	-
Total Multiple Disabilities	584,916	(21,171)	563,745	518,214	45,531
Resource Room/Resource Center					
Salaries of Teachers	5,596,316	(188,431)	5,407,885	5,301,089	106,796
Other Salaries for Instruction	1,127,829	(240,396)	887,433	845,157	42,276
General Supplies	20,000	(4,955)	15,045	15,045	-
Total Resource Room	6,744,145	(433,782)	6,310,363	6,161,291	149,072
Preschool Disabilities - Full-Time					
Salaries of Teachers	69,440	158,313	227,753	218,716	9,037
Other Salaries for Instruction	334,846	191,511	526,357	463,064	63,293
General Supplies	1,000	(984)	16	16	-
Total Preschool Disabilities - Full-Time	405,286	348,840	754,126	681,796	72,330
Home Instruction					
Salaries of Teachers	60,000	(42,810)	17,190	17,190	
Other Salaries for Instruction	10,000	(6,850)	3,150	3,150	
Purchased Professional/Educational Services	82,000	(50,899)	31,101	30,889	212
General Supplies	100	-	100	-	100
Total Home Instruction	152,100	(100,559)	51,541	51,229	312
Total Special Education	9,630,030	(307,133)	9,322,897	8,955,315	367,582
Basic Skills/Remedial					
Salaries of Teachers	1,217,726	(12,024)	1,205,702	1,205,702	
General Supplies	11,500	(10,022)	1,478	867	611
Textbooks	3,000	(3,000)	-	-	-
Total Basic Skills/Remedial	1,232,226	(25,046)	1,207,180	1,206,569	611

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final To Actual</u>
EXPENDITURES					
CURRENT					
Bilingual Education					
Salaries of Teachers	\$ 537,943	\$ 72,010	\$ 609,953	\$ 606,028	\$ 3,925
General Supplies	15,700	(9,659)	6,041	6,041	-
Textbooks	11,300	3,022	14,322	13,110	1,212
Other Objects	7,000	(321)	6,679	3,990	2,689
Total Bilingual Education	571,943	65,052	636,995	629,169	7,826
School Sponsored Co-Curricular Activities					
Salaries	481,101	(56,388)	424,713	424,713	
Purchased Services	2,250	(1,301)	949	885	64
Supplies and Materials	16,800	(9,787)	7,013	6,999	14
Other Objects	86,200	9,530	95,730	95,298	432
Total School Sponsored Co-Curricular Activities	586,351	(57,946)	528,405	527,895	510
School Sponsored Athletics - Instruction					
Salaries	1,045,012	(193,472)	851,540	839,547	11,993
Purchased Services	337,670	(80,697)	256,973	255,850	1,123
Supplies and Materials	88,500	(8,480)	80,020	80,014	6
Other Objects	33,500	(12,762)	20,738	20,573	165
Total School Sponsored Athletics - Instruction	1,504,682	(295,411)	1,209,271	1,195,984	13,287
Total - Instruction	39,926,835	485,845	40,412,680	38,924,688	1,487,992
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's - Within the State - Special	322,914	133,780	456,694	456,694	
Tuition to County Vocational School District - Regular	776,446	56,028	832,474	832,474	
Tuition to County Vocational School District - Special	63,000	(47,945)	15,055	15,055	
Tuition to APSSD Within the State	2,815,457	(338,091)	2,477,366	2,477,366	-
Total Undistributed Expenditures - Instruction	3,977,817	(196,228)	3,781,589	3,781,589	-
Attendance and Social Work Services					
Salaries	94,876	(3,712)	91,164	90,628	536
Total Attendance and Social Work Services	94,876	(3,712)	91,164	90,628	536
Health Services					
Salaries	884,570	13,489	898,059	874,178	23,881
Purchased Professional Technical Services	36,610	(13,663)	22,947	22,743	204
Other Purchased Services	2,100	(1,340)	760	759	1
Supplies and Materials	11,300	(1,272)	10,028	9,340	688
Other Objects	595	-	595	595	-
Total Health Services	935,175	(2,786)	932,389	907,615	24,774
Speech, OT, PT and Related Services					
Salaries	1,700,304	(27,695)	1,672,609	1,548,755	123,854
Purchased Professional/Educational Services	222,025	(197,718)	24,307	24,307	
Supplies and Materials	7,000	900	7,900	6,682	1,218
Total Speech, OT, PT and Related Services	1,929,329	(224,513)	1,704,816	1,579,744	125,072
Other Support Services - Students - Extra.Serv.					
Salaries	328,964	152,599	481,563	423,357	58,206
Purchased Professional/Educational Services	810,997	378,350	1,189,347	1,189,168	179
Total Other Support Services - Students - Extra Services	1,139,961	530,949	1,670,910	1,612,525	58,385

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final To Actual</u>
EXPENDITURES					
CURRENT					
Undistributed Expenditures (Continued)					
Guidance					
Salaries of Other Professional Staff	\$ 2,062,751	\$ (136,139)	\$ 1,926,612	\$ 1,896,409	\$ 30,203
Salaries of Secretaries and Clerical Assistants	168,770		168,770	166,346	2,424
Purchased Professional - Educational Services	64,965	(27,709)	37,256	37,256	
Supplies and Materials	9,750	(1,048)	8,702	8,702	
Other Objects	3,560	(2,700)	860	860	-
Total Guidance	2,309,796	(167,596)	2,142,200	2,109,573	32,627
Child Study Teams					
Salaries of Other Professional Staff	1,964,681	7,100	1,971,781	1,824,829	146,952
Salaries of Secretaries and Clerical Assistants	209,939	900	210,839	210,839	
Other Purchased Professional and Technical Services	399,848	(399,848)			
Other Purchased Services	8,000	(7,083)	917	917	
Supplies and Materials	11,000	2,212	13,212	13,212	
Other Objects	6,000	(4,280)	1,720	1,720	-
Total Child Study Teams	2,599,468	(400,999)	2,198,469	2,051,517	146,952
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	860,806	(700)	860,106	844,373	15,733
Salaries of Secretaries and Clerical Assistants	49,103		49,103	49,103	
Other Salaries	36,000	(29,000)	7,000	7,000	
Other Purchased Services	6,000	(3,324)	2,676	2,258	418
Other Objects	9,500	(1,420)	8,080	7,119	961
Total Improvement of Instruction Services	961,409	(34,444)	926,965	909,853	17,112
Educational Media Services/School Library					
Salaries	685,211	6,079	691,290	684,479	6,811
Purchased Professional and Technical Services	72,450	(10,022)	62,428	62,116	312
Supplies and Materials	34,750	(5,101)	29,649	25,657	3,992
Total Educational Media Services/School Library	792,411	(9,044)	783,367	772,252	11,115
Instructional Staff Training Services					
Purchased Professional - Education Services	35,000	(17,044)	17,956	17,851	105
Other Purchased Services	3,500	(2,777)	723	99	624
Supplies and Materials	1,500	(1,000)	500	150	350
Other Objects	18,500	(17,600)	900	900	-
Total Instructional Staff Training Services	58,500	(38,421)	20,079	19,000	1,079
Support Services - General Administration					
Salaries	941,042	(4,746)	936,296	935,915	381
Legal Services	56,600	72,147	128,747	128,747	
Audit Fees	43,000	(5,030)	37,970	37,970	
Architectural/Engineering Services		553,050	553,050	435,304	117,746
Communications/Telephone	12,800	(1,783)	11,017	10,999	18
Miscellaneous Purchased Services	238,389	120,431	358,820	358,389	431
General Supplies	7,000	10,506	17,506	17,506	
Judgments Against the School Entity	81,445		81,445	81,445	
Misc. Expenditures	52,600	2,808	55,408	55,408	-
Total Support Services - General Administration	1,432,876	747,383	2,180,259	2,061,683	118,576

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final To Actual</u>
EXPENDITURES					
CURRENT					
Undistributed Expenditures (Continued)					
Support Services - School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	\$ 1,810,797	\$ 13,880	\$ 1,824,677	\$ 1,824,584	\$ 93
Salaries of Other Professional Staff	170,859	342,078	512,937	512,937	
Salaries of Secretarial and Clerical Assistants	678,006	(13,976)	664,030	663,997	33
Purchased Professional and Technical Services	1,500	3,646	5,146	4,605	541
Other Purchased Services	16,329	(15,316)	1,013	1,013	
Supplies and Materials	109,841	(22,194)	87,647	85,206	2,441
Other Objects	18,450	(6,315)	12,135	12,053	82
Total Support Services - School Administration	2,805,782	301,803	3,107,585	3,104,395	3,190
Central Services					
Salaries	654,539	(10,136)	644,403	644,403	
Purchased Technical Services	48,813	(2,493)	46,320	46,167	153
Other Purchased Services	31,500	(4,802)	26,698	26,674	24
Supplies and Materials	13,600	911	14,511	14,411	100
Miscellaneous Expenditures	2,500	(858)	1,642	1,575	67
Total Central Services	750,952	(17,378)	733,574	733,230	344
Administrative Information Technology					
Salaries	802,554	(28,783)	773,771	773,771	
Other Purchased Services	58,500	(4,168)	54,332	54,332	
Supplies and Materials	15,600	(6,624)	8,976	8,908	68
Total Admin. Info. Tech.	876,654	(39,575)	837,079	837,011	68
Required Maintenance for School Facilities					
Salaries	869,410	(24,974)	844,436	834,298	10,138
Cleaning, Repair and Maintenance Services	381,565	243,730	625,295	423,734	201,561
General Supplies	103,250	131,213	234,463	234,083	380
Other Objects	4,375	(68)	4,307	4,305	2
Total Required Maintenance For School Facilities	1,358,600	349,901	1,708,501	1,496,420	212,081
Custodial Services					
Salaries	212,431	30,418	242,849	237,588	5,261
Purchased Professional and Technical Services	2,910,719	(9,838)	2,900,881	2,900,701	180
Cleaning, Repair and Maintenance Services	135,525	67,452	202,977	202,000	977
Rental of Land and Bldg. Oth. Than Lease Purchase	21,000	(2,875)	18,125	18,046	79
Other Purchased Property Services	79,400	(2,147)	77,253	74,641	2,612
Insurance	463,569	73,379	536,948	536,948	
General Supplies	169,500	23,351	192,851	186,732	6,119
Energy (Natural Gas)	377,350	(38,002)	339,348	328,063	11,285
Energy (Electricity)	954,625	(132,153)	822,472	799,514	22,958
Other Objects	1,600	(500)	1,100	1,100	-
Total Custodial Services	5,325,719	9,085	5,334,804	5,285,333	49,471
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	12,000	3,819	15,819	15,818	1
General Supplies	42,000	(16,577)	25,423	25,399	24
Total Care and Upkeep of Grounds	54,000	(12,758)	41,242	41,217	25
Security					
Purchased Professional and Technical Services	124,000	(11,194)	112,806	112,542	264
General Supplies	4,000	(4,000)	-	-	-
Total Care and Upkeep of Grounds	128,000	(15,194)	112,806	112,542	264

(Continued)

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final To Actual</u>
EXPENDITURES					
CURRENT					
Undistributed Expenditures (Continued)					
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	\$ 171,496	\$ (13,069)	\$ 158,427	\$ 98,710	\$ 59,717
Management Fee - ESC and CTSA Transportation Program	4,000	1,477	5,477	5,477	
Contracted Services - Aid In Lieu Payments - Non-Public School	234,912	(20,758)	214,154	214,154	
Contracted Services (Between Home and School) - Vendors	3,127,144	34,512	3,161,656	3,161,656	
Contracted Services (Other Than Between Home and School) - Vendors	395,135	24,969	420,104	420,104	
Contracted Services (Special Ed Students) - Vendors	2,906,395	102,476	3,008,871	3,008,555	316
Contracted Services (Special Ed Students) - Joint Agreements	50,000	(50,000)			
Miscellaneous Purchased Services - Transportation	9,425	3,625	13,050	13,050	
Other Objects	4,200	(1,878)	2,322	1,822	500
Total Student Transportation Services	6,902,707	81,354	6,984,061	6,923,528	60,533
Unallocated Benefits - Employee Benefits					
Social Security Contributions	907,504	(25,713)	881,791	826,968	54,823
Other Retirement Contributions - PERS	1,144,000	(129,706)	1,014,294	1,013,843	451
Other Retirement Contributions - Regular	30,000	(9,397)	20,603	20,603	
Unemployment	-	-			-
Workmen's Compensation	229,482	(51,862)	177,620	177,620	
Health Benefits	10,776,549	(657,298)	10,119,251	10,118,916	335
Tuition Reimbursement	255,000	(73,348)	181,652	176,494	5,158
Other Employee Benefits	507,500	8,981	516,481	515,824	657
Unused Sick Payment to Terminated/Retired Staff	25,000	30,125	55,125	55,125	-
Total Unallocated Benefits	13,875,035	(908,218)	12,966,817	12,905,393	61,424
On Behalf TPAF Payments (Non-Budgeted)					
Pension Contribution				13,729,149	(13,729,149)
Non Contributory Insurance				156,573	(156,573)
Post Retirement Medical Contribution				3,779,186	(3,779,186)
Long Term Disability Insurance				4,944	(4,944)
Social Security Contribution	-	-	-	2,818,145	(2,818,145)
Total On-Behalf Payments	-	-	-	20,487,997	(20,487,997)
Total Undistributed Expenditures	48,309,067	(50,391)	48,258,676	67,823,045	(19,564,369)
Interest Earned on Maintenance Reserve	1,000	-	1,000	-	1,000
Total Current Expenditures	88,236,902	435,454	88,672,356	106,747,733	(18,075,377)
CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 1-5		7,201	7,201	7,201	
Grades 6-8		11,718	11,718	10,662	1,056
Other Instruction		429,113	429,113	11,830	417,283
Intellectual Disability - Mild		25,116	25,116		25,116
Undistributed Expenditures					
General Administration		81,092	81,092	81,092	
School Administration	16,000	5,504	21,504	3,368	18,136
Central Services		33,296	33,296	33,296	
Operations and Maintenance of Plant		281,565	281,565	274,251	7,314
Transportation	-	213,180	213,180	103,137	110,043
Total Equipment	16,000	1,087,785	1,103,785	524,837	578,948

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final To Actual</u>
EXPENDITURES (Continued)					
CAPITAL OUTLAY (Continued)					
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	\$ 232,742	\$ 5,500	\$ 238,242	\$ 57,910	\$ 180,332
Other Purchased Professional and Technical Services	575,000	731,430	1,306,430	626,511	679,919
Construction Services	2,094,682	69,389	2,164,071	1,301,918	862,153
Assessment for Debt Service on SDA Funding	31,043	-	31,043	31,043	-
Total Facilities Acquisition and Construction Services	<u>2,933,467</u>	<u>806,319</u>	<u>3,739,786</u>	<u>2,017,382</u>	<u>1,722,404</u>
Interest Deposit to Capital Reserve	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Assets Acquired Under Capital Lease (Non-budget)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Outlay	<u>2,950,967</u>	<u>1,894,104</u>	<u>4,845,071</u>	<u>2,542,219</u>	<u>2,302,852</u>
Transfer to Charter Schools	<u>108,476</u>	<u>(32,865)</u>	<u>75,611</u>	<u>75,611</u>	<u>-</u>
Total Expenditures - General Fund	<u>91,296,345</u>	<u>2,296,693</u>	<u>93,593,038</u>	<u>109,365,563</u>	<u>(15,772,525)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(4,593,537)</u>	<u>(2,296,693)</u>	<u>(6,890,230)</u>	<u>(1,109,123)</u>	<u>5,781,107</u>
Other Financing Sources (Uses)					
Other Financing Agreement Proceeds				335,350	335,350
Transfer to Food Service Enterprise Fund	<u>(60,000)</u>	<u>(157,027)</u>	<u>(217,027)</u>	<u>(217,027)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(60,000)</u>	<u>(157,027)</u>	<u>(217,027)</u>	<u>118,323</u>	<u>335,350</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(4,653,537)</u>	<u>(2,453,720)</u>	<u>(7,107,257)</u>	<u>(990,800)</u>	<u>6,116,457</u>
Fund Balances, July 1, 2023	<u>17,394,317</u>	<u>-</u>	<u>17,394,317</u>	<u>17,394,317</u>	<u>-</u>
Fund Balances, June 30, 2024	<u>\$ 12,740,780</u>	<u>\$ (2,453,720)</u>	<u>\$ 10,287,060</u>	<u>\$ 16,403,517</u>	<u>\$ 6,116,457</u>
Recapitulation of Fund Balance:					
Restricted:					
Capital Reserve				\$ 2,389,332	
Capital Reserve - Designated for Subsequent Year's Budget				5,838,036	
Maintenance Reserve				1,575,184	
Maintenance Reserve - Designated for Subsequent Year's Budget				687,672	
Unemployment Compensation Reserve				375,350	
Escrow				9,038	
Committed:					
Encumbrances				342,864	
Assigned:					
Encumbrances				795,224	
Designated for Subsequent Year's Budget				2,064,079	
Unassigned				<u>2,326,738</u>	
Reconciliation to Governmental Funds Statements (GAAP):				16,403,517	
Less: State Aid Not Recognized on GAAP Basis				<u>(2,808,372)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 13,595,145</u>	

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 80,006	\$ 803,962	\$ 883,968	\$ 833,659	\$ (50,309)
State Sources	189,745	100,401	290,146	221,635	(68,511)
Federal Sources	<u>1,758,076</u>	<u>207,442</u>	<u>1,965,518</u>	<u>1,796,748</u>	<u>(168,770)</u>
Total Revenues	<u>2,027,827</u>	<u>1,111,805</u>	<u>3,139,632</u>	<u>2,852,042</u>	<u>(287,590)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	166,125	17,028	183,153	141,799	41,354
Other Salaries	14,708	(4,080)	10,628	-	
Purchased Professional Services	16,814	32,712	49,526	48,062	1,464
Other Purchased Services	43,509	(15,882)	27,627	21,313	6,314
Tuition	804,545	75,709	880,254	853,521	
General Supplies	116,233	140,959	257,192	190,185	67,007
Textbooks	12,000	(148)	11,852	11,525	327
Other Objects	61	(61)	-	-	
Student Activities and Athletics	<u>-</u>	<u>733,106</u>	<u>733,106</u>	<u>639,545</u>	<u>93,561</u>
Total Instruction	<u>1,173,995</u>	<u>979,343</u>	<u>2,153,338</u>	<u>1,905,950</u>	<u>210,027</u>
Support Services					
Salaries	22,774	(14,421)	8,353	7,934	419
Personal Services - Employee Benefits	31,295	(5,026)	26,269	22,988	3,281
Purchased Prof./Educational Services	409,356	297,913	707,269	619,304	87,965
Other Purchased Services	307,505	(275,152)	32,353	27,796	4,557
Travel	-	-	-	-	-
Supplies and Materials	7,057	43,092	50,149	32,635	17,514
Scholarship Awards	<u>100</u>	<u>15,079</u>	<u>15,179</u>	<u>2,500</u>	<u>12,679</u>
Total Support Services	<u>778,087</u>	<u>61,485</u>	<u>839,572</u>	<u>713,157</u>	<u>126,415</u>
Facilities and Acquisition Construction Svcs.					
Equipment - Non Instructional	<u>75,745</u>	<u>70,977</u>	<u>146,722</u>	<u>126,695</u>	<u>20,027</u>
Total Facilities and Acquisition Construction Svcs.	<u>75,745</u>	<u>70,977</u>	<u>146,722</u>	<u>126,695</u>	<u>20,027</u>
Total Expenditures	<u>2,027,827</u>	<u>1,111,805</u>	<u>3,139,632</u>	<u>2,745,802</u>	<u>356,469</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	106,240	68,879
Fund Balances, July 1, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>384,473</u>	<u>-</u>
Fund Balances, June 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 490,713</u>	<u>\$ 68,879</u>
Recapitulation of Fund Balance:					
Restricted:					
Student Activities and Athletics				\$ 470,141	
Scholarships				<u>20,572</u>	
				<u>490,713</u>	

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual revenues (budgetary basis) (Exhibits C-1 and C-2)	\$ 108,256,440	\$ 2,852,042
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, 2023		41,425
Encumbrances, June 30, 2024		(88,598)
2023/2024 State Aid recognized for budgetary purposes, not recognized for GAAP statements	(2,808,372)	
2022/2023 State Aid recognized for GAAP purposes, not recognized for budgetary statements	<u>3,184,238</u>	<u>-</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 108,632,306</u>	<u>\$ 2,804,869</u>
Uses/Outflows of Resources		
Actual expenditures (budgetary basis) (Exhibits C-1 and C-2)	\$ 109,365,563	\$ 2,745,802
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, 2023		41,425
Encumbrances, June 30, 2024	<u>-</u>	<u>(88,598)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 109,365,563</u>	<u>\$ 2,698,629</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>2024</u>	<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>
District's Proportion of the Net Position Liability (Asset)	0.07576%	0.73230%	0.07875%	0.07505%	0.08001%	0.07726%	0.06723%	0.07010%	0.06755%	0.06063%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 10,972,809	\$ 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
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
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	197%	198%	172%	224%	276%	275%	276%	472%	322%	258%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.59%	48.10%	40.14%	47.92%	52.08%

* 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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 1,012,502	\$ 923,567	\$ 922,757	\$ 821,085	\$ 778,349	\$ 768,550	\$ 622,853	\$ 622,810	\$ 580,784	\$ 500,916
Contributions in Relation to the Contractually Required Contribution	<u>1,012,502</u>	<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>
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	\$ 6,094,523	\$ 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
Contributions as a Percentage of Covered-Employee Payroll	16.61%	16.54%	16.89%	15.12%	14.27%	14.70%	11.26%	10.97%	13.21%	10.64%

**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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
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>\$ 165,883,741</u>	<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>	#####
Total	<u>\$ 165,883,741</u>	<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>	#####
District's Covered-Employee Payroll	\$ 39,394,989	\$ 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
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	34.68%	32.29%	35.52%	24.60%	26.95%	26.48%	25.41%	22.33%	28.74%	33.64%

* 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, 2024**

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 Seven Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 6,186,532	\$ 8,073,937	\$ 9,380,507	\$ 5,467,005	\$ 5,319,417	\$ 5,832,649	\$ 7,145,316
Interest on Total OPEB Liability	4,819,506	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	(1,160,025)	1,644,262	(27,456,585)	31,526,962	(17,870,523)	(14,627,073)	
Changes of Assumptions	275,822	(34,969,250)	153,378	27,009,422	1,604,286	(13,434,829)	(18,133,585)
Contribution from the Member	123,507	109,775	103,102	91,073	97,908	108,196	121,684
Gross Benefit Payments	(3,756,883)	(3,421,870)	(3,176,813)	(3,004,717)	(3,302,919)	(3,130,518)	(3,304,602)
Net Change in Total OPEB Liability	6,488,459	(25,108,560)	(17,128,961)	64,996,448	(9,476,633)	(20,182,603)	(9,848,368)
Total OPEB Liability - Beginning of Year	130,356,312	155,464,872	172,593,833	107,597,385	117,074,018	137,256,621	147,104,989
Total OPEB Liability - End of Year	\$ 136,844,771	\$ 130,356,312	\$ 155,464,872	\$ 172,593,833	\$ 107,597,385	\$ 117,074,018	\$ 137,256,621
District's Proportionate Share of OPEB Liability	-	-	-	-	-	-	-
State's Proportionate Share of OPEB Liability	\$ 136,844,771	\$ 130,356,312	\$ 155,464,872	\$ 172,593,833	\$ 107,597,385	\$ 117,074,018	\$ 137,256,621
Total OPEB Liability - End of Year	\$ 136,844,771	\$ 130,356,312	\$ 155,464,872	\$ 172,593,833	\$ 107,597,385	\$ 117,074,018	\$ 137,256,621
District's Covered-Employee Payroll	\$ 45,489,512	\$ 43,839,113	\$ 43,108,171	\$ 42,596,884	\$ 41,737,084	\$ 40,619,523	\$ 40,902,155
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%	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, 2024**

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, 2024**

	ESEA				IDEA, Part B						
	Title I	Title II-A	Title III	Title IV	Basic	ARP Basic	Preschool	ASCERS	Total Page 3	Total Page 2	Total
REVENUES											
Intergovernmental											
State Sources									\$ 221,635		\$ 221,635
Federal Sources	\$ 104,738	\$ 73,763	\$ 14,564	\$ 10,989	\$ 942,824	\$ 700	\$ 25,827	\$ 266,476	-	\$ 356,867	1,796,748
Local Sources	-	-	-	-	-	-	-	-	833,659	-	833,659
Total Revenues	<u>104,738</u>	<u>73,763</u>	<u>14,564</u>	<u>10,989</u>	<u>942,824</u>	<u>700</u>	<u>25,827</u>	<u>266,476</u>	<u>1,055,294</u>	<u>356,867</u>	<u>2,852,042</u>
EXPENDITURES											
Instruction											
Salaries of Teachers	83,492				6,000				-	52,307	141,799
Other Salaries									-		-
Purchased Professional Services				8,900					39,162		48,062
Other Purchased Services									21,313		21,313
Tuition					587,045			266,476			853,521
General Supplies	3,589		6,000	89	36,046	700	25,827		108,314	9,620	190,185
Textbooks									11,525		11,525
Other Objects									-		-
Student Activities and Athletics	-	-	-	-	-	-	-	-	639,545	-	639,545
Total Instruction	<u>87,081</u>	<u>-</u>	<u>6,000</u>	<u>8,989</u>	<u>629,091</u>	<u>700</u>	<u>25,827</u>	<u>266,476</u>	<u>819,859</u>	<u>61,927</u>	<u>1,905,950</u>
Support Services											
Salaries		880	7,054							-	7,934
Personal Services Employee-Benefits	17,657	76								5,255	22,988
Purchased Prof./Ed. Serv.		47,619		2,000	312,635				-	257,050	619,304
Supplies and Materials										32,635	32,635
Other Purchased Services		25,188	1,510		1,098				-		27,796
Scholarship Awards	-	-	-	-	-	-	-	-	2,500	-	2,500
Total Support Services	<u>17,657</u>	<u>73,763</u>	<u>8,564</u>	<u>2,000</u>	<u>313,733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>294,940</u>	<u>713,157</u>
Facilities and Acquisition Construction Svcs.											
Equipment - Non Instructional	-	-	-	-	-	-	-	-	126,695	-	126,695
Total Facilities and Acquisition Construction Svcs.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,695</u>	<u>-</u>	<u>126,695</u>
Total Expenditures	<u>104,738</u>	<u>73,763</u>	<u>14,564</u>	<u>10,989</u>	<u>942,824</u>	<u>700</u>	<u>25,827</u>	<u>266,476</u>	<u>949,054</u>	<u>356,867</u>	<u>2,745,802</u>
Excess of Revenues Over Expenditures	-	-	-	-	-	-	-	-	106,240	-	106,240
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	384,473	-	384,473
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 490,713</u>	<u>\$ -</u>	<u>\$ 490,713</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, 2024

	ESSER II			E.S.S.E.R III					Total
	High Impact Tutoring	Learning Accerleration	Mental Health	ARP	Learning Support	Summer Learning	After School Learning	Mental Health	Page 2
REVENUES									
Intergovernmental									\$ -
State Sources									356,867
Federal Sources	\$ 39,163	\$ 1,096	\$ 20,635	\$ 59,050	\$ 185,811	\$ 1,468	\$ 4,644	\$ 45,000	
Local Sources	-	-	-	-	-	-	-	-	-
Total Revenues	<u>39,163</u>	<u>1,096</u>	<u>20,635</u>	<u>59,050</u>	<u>185,811</u>	<u>1,468</u>	<u>4,644</u>	<u>45,000</u>	<u>356,867</u>
EXPENDITURES									
Instruction									-
Salaries of Teachers	35,857				16,196		254		52,307
Other Salaries									-
Other Purchased Services									-
Tuition									-
General Supplies	628	1,096			2,038	1,468	4,390		9,620
Textbooks									-
Other Objects									-
Student Activities and Athletics	-	-	-	-	-	-	-	-	-
Total Instruction	<u>36,485</u>	<u>1,096</u>	<u>-</u>	<u>-</u>	<u>18,234</u>	<u>1,468</u>	<u>4,644</u>	<u>-</u>	<u>61,927</u>
Support Services									-
Salaries									5,255
Personal Services Employee-Benefits	2,678			59,050	2,577				257,050
Purchased Prof./Ed. Serv.					153,000			45,000	32,635
Supplies and Materials	-	-	20,635	-	12,000	-	-	-	-
Total Support Services	<u>2,678</u>	<u>-</u>	<u>20,635</u>	<u>59,050</u>	<u>167,577</u>	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>294,940</u>
Facilities and Acquisition Construction Svcs.									-
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Facilities and Acquisition Construction Svcs.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>39,163</u>	<u>1,096</u>	<u>20,635</u>	<u>59,050</u>	<u>185,811</u>	<u>1,468</u>	<u>4,644</u>	<u>45,000</u>	<u>356,867</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>	<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, 2024

	Student Activities/ Athletics	Scholarship	NJ Nonpublic Aid				Nonpublic Handicapped Services			SDA Emergent and Capital Needs	Other Local Programs	Total Page 3
			Nursing	Textbooks	Security	Technology	Exam and Class	Corrective Speech	Supplemental Instruction			
REVENUES												
Intergovernmental												
State Sources			\$ 20,914	\$ 11,525	\$ 34,547	\$ 9,706	\$ 7,018	\$ 8,835	\$ 2,395	\$ 126,695		\$ 221,635
Local Sources	\$ 733,106	\$ 15,179	-	-	-	-	-	-	-	-	\$ 85,374	833,659
Total Revenues	733,106	15,179	20,914	11,525	34,547	9,706	7,018	8,835	2,395	126,695	85,374	1,055,294
EXPENDITURES												
Instruction												
Salaries of Teachers												-
Other Salaries												-
Purchased Professional Services			20,914				7,018	8,835	2,395			39,162
Other Purchased Services											21,313	21,313
General Supplies					34,547	9,706					64,061	108,314
Textbooks				11,525								11,525
Other Objects												-
Student Activities and Athletics	639,545	-	-	-	-	-	-	-	-	-	-	639,545
Total Instruction	639,545	-	20,914	11,525	34,547	9,706	7,018	8,835	2,395	-	85,374	819,859
Support Services												-
Purchased Prof. and Ed. Serv.												-
Other Purchased Services												-
Supplies and Materials												-
Scholarship Awards	-	2,500	-	-	-	-	-	-	-	-	-	2,500
Total Support Services	-	2,500	-	-	-	-	-	-	-	-	-	2,500
Facilities and Acquisition Construction Svcs.												
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	126,695	-	126,695
Total Facilities and Acquisition Construction Svcs.	-	-	-	-	-	-	-	-	-	126,695	-	126,695
Total Expenditures	639,545	2,500	20,914	11,525	34,547	9,706	7,018	8,835	2,395	126,695	85,374	949,054
Excess of Revenues Over Expenditures	93,561	12,679	-	-	-	-	-	-	-	-	-	106,240
Fund Balance, Beginning of Year	376,580	7,893	-	-	-	-	-	-	-	-	-	384,473
Fund Balance, End of Year	\$ 470,141	\$ 20,572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 490,713

CAPITAL PROJECTS FUND

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Project Description</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2024</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	2,999,235		15,120
District-wide HVAC Improvements and Upgrades	<u>3,418,700</u>	<u>3,367,789</u>	<u>-</u>	<u>50,911</u>
	<u>\$ 17,605,887</u>	<u>\$ 17,539,110</u>	<u>\$ -</u>	<u>\$ 66,777</u>
		Project Balances, June 30, 2024		\$ 66,777
		Less:		
		Debt Authorized but Not Issued		<u>(1,887)</u>
		Fund Balances, June 30, 2024		<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, 2024**

Revenues and Other Financing Sources

Interest Earnings	
Bond Referendum	\$ 3,581

Total Revenues and Other Financing Sources	3,581
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Expenditures and Other Financing Uses

Other Financing Uses	
Transfer to Debt Service Fund	3,581

Total Expenditures and Other Financing Uses	3,581
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Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-
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Fund Balance July 1, 2023	64,890
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Fund Balance June 30, 2024	\$ 64,890
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Recapitulation of Fund Balance:

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

	\$ 64,890
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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
VILLIAM MASON SCHOOL AND MEDIA CENTER RENOVATIONS AT ALL ELEMENTARY SCHOOLS AND MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<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	11,170,945	-	11,170,945	11,172,832
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	131,221	-	131,221	131,963
Total Expenditures and Other Financing Uses	11,172,086	-	11,172,086	11,172,832
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (1,141)	\$ -	\$ (1,141)	\$ -

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/GYMNASIUM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<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	3,014,355	-	3,014,355	3,014,535
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	294,103		294,103	298,808
Construction Services	2,663,023		2,663,023	2,673,618
Other Objects	42,109	-	42,109	42,109
Total Expenditures and Other Financing Uses	2,999,235	-	2,999,235	3,014,535
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 15,120	\$ -	\$ 15,120	\$ -

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	6/30/2025

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, 2024

	<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	3,418,700	-	3,418,700	3,418,700
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	29,026	-	29,026	29,026
Total Expenditures and Other Financing Uses	3,367,789	-	3,367,789	3,418,700
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 50,911	\$ -	\$ 50,911	\$ -

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	6/30/2025

PROPRIETARY FUNDS

EXHIBIT G-1

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
ENTERPRISE FUNDS - NONMAJOR
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

THIS STATEMENT IS NOT APPLICABLE

INFORMATION IS PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**ENTERPRISE FUNDS - NONMAJOR
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

THIS STATEMENT IS NOT APPLICABLE

INFORMATION IS PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**ENTERPRISE FUNDS - NONMAJOR
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

THIS STATEMENT IS NOT APPLICABLE

INFORMATION IS PRESENTED ON EXHIBIT B-6

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, 2024

<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, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2024</u>
2018 School Bonds	2/1/2018	17,604,000	2/1/2024-35	1,000,000	3.000%				
			2/1/2036-37	1,000,000	3.125%				
			2/1/2038	1,000,000	3.250%	\$ 15,000,000	-	\$ 1,000,000	\$ 14,000,000
						\$ 15,000,000	\$ -	\$ 1,000,000	\$ 14,000,000

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF OBLIGATIONS UNDER CAPITAL AND OTHER FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>School Year</u>	<u>Original Amount</u>	<u>Balance, July 1, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2024</u>
<u>Capital Financing Agreements</u>						
Energy Savings Improvement Program - Phase 1	2018/19	\$ 2,435,000	\$ 1,810,000		\$ 155,000	\$ 1,655,000
Energy Savings Improvement Program - Phase 2	2019/20	1,260,000	<u>1,044,342</u>	<u>-</u>	<u>76,199</u>	<u>968,143</u>
Total Capital Financing Agreements			<u>\$ 2,854,342</u>	<u>\$ -</u>	<u>\$ 231,199</u>	<u>\$ 2,623,143</u>
<u>Other Financing Agreements</u>						
Acquisition of Computers	2019/20	\$ 519,682	\$ 107,178		\$ 107,178	
Acquisition of Computers	2019/20	471,141	193,692		95,951	\$ 97,741
Acquisition of Computers	2020/21	400,624	198,298		96,284	102,014
Acquisition of Computers	2021/22	307,216	243,491		60,565	182,926
Acquisition of Computers	2022/23	309,740	305,711		57,348	248,363
Acquisition of Computers	2023/24	335,350	<u>-</u>	<u>\$ 335,350</u>	<u>-</u>	<u>335,350</u>
Total Other Financing Agreements			<u>\$ 1,048,370</u>	<u>\$ 335,350</u>	<u>\$ 417,326</u>	<u>\$ 966,394</u>

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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	\$ 959,401		\$ 959,401	\$ 959,401	
State Sources					
Debt Service Aid	<u>494,699</u>	<u>-</u>	<u>494,699</u>	<u>494,699</u>	<u>-</u>
Total Revenues	<u>1,454,100</u>	<u>-</u>	<u>1,454,100</u>	<u>1,454,100</u>	<u>-</u>
EXPENDITURES:					
Debt Service:					
Principal	1,000,000		1,000,000	1,000,000	
Interest	<u>455,000</u>	<u>-</u>	<u>455,000</u>	<u>455,000</u>	<u>-</u>
Total Expenditures	<u>1,455,000</u>	<u>-</u>	<u>1,455,000</u>	<u>1,455,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(900)</u>	<u>-</u>	<u>(900)</u>	<u>(900)</u>	<u>-</u>
OTHER FINANCING SOURCES					
Transfer from Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,581</u>	<u>\$ 3,581</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,581</u>	<u>3,581</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(900)</u>	<u>-</u>	<u>(900)</u>	<u>2,681</u>	<u>3,581</u>
Fund Balance, July 1, 2023	<u>5,701</u>	<u>-</u>	<u>5,701</u>	<u>5,701</u>	<u>-</u>
Fund Balance, June 30, 2024	<u>\$ 4,801</u>	<u>\$ -</u>	<u>\$ 4,801</u>	<u>\$ 8,382</u>	<u>\$ 3,581</u>
Recapitulation of Fund Balance					
Designated for Subsequent Year's Budget				\$ 4,801	
Restricted for Debt Service				<u>3,581</u>	
				<u>\$ 8,382</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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 31,033,311
Restricted	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	11,373,707
Unrestricted	(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)	(11,290,989)
Total Governmental Activities Net Position	\$ 19,027,502	\$ 19,375,312	\$ 15,941,325	\$ 10,140,461	\$ 11,460,942	\$ 15,253,829	\$ 18,509,573	\$ 24,807,157	\$ 30,241,640	\$ 31,116,029
Business-Type Activities										
Investment in Capital Assets	\$ 81,644	\$ 68,625	\$ 104,257	\$ 78,255	\$ 87,592	\$ 92,200	\$ 82,980	\$ 101,261	\$ 93,369	\$ 179,000
Unrestricted	20,508	(73,809)	(36,729)	(25,481)	41,647	145,875	130,729	494,760	859,102	1,116,703
Total Business-Type Activities Net Position	\$ 102,152	\$ (5,184)	\$ 67,528	\$ 52,774	\$ 129,239	\$ 238,075	\$ 213,709	\$ 596,021	\$ 952,471	\$ 1,295,703
District-Wide										
Net Investment in Capital Assets	\$ 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	\$ 31,212,311
Restricted	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	11,373,707
Unrestricted	(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)	(10,174,286)
Total District Net Position	\$ 19,129,654	\$ 19,370,128	\$ 16,008,853	\$ 10,193,235	\$ 11,590,181	\$ 15,491,904	\$ 18,723,282	\$ 25,403,178	\$ 31,194,111	\$ 32,411,732

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 40,640,221
Special Education	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	17,088,495
Other Instruction	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	2,693,588
School Sponsored Activities and Athletics	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	2,976,150
Support Services:										
Student & Instruction Related Services	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	14,828,827
School Administrative Services	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	4,530,307
General Administration	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	2,792,085
Business/Central Services	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	2,241,744
Plant Operations and Maintenance	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	7,526,173
Pupil Transportation	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	6,997,665
Interest on Long-Term Debt	626,181	606,495	359,849	483,432	742,147	721,388	670,255	641,755	486,342	546,130
Total Governmental Activities Expenses	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	102,861,385
Business-Type Activities:										
Enterprise Funds	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	2,227,634
Total Business-Type Activities Expense	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	2,227,634
Total District Expenses	\$ 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	\$ 105,089,019
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 442,373	\$ 440,231	\$ 415,478	\$ 463,902	\$ 520,232	\$ 493,028	\$ 535,703	\$ 1,000,148	\$ 1,296,267	\$ 1,246,543
Operating Grants and Contributions	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	21,657,967
Capital Grants and Contributions	4,741	14,494	-	2,297	-	-	108,719	120,442	565,909	56,378
Total Governmental Activities Program Revenues	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	22,960,888
Business-Type Activities:										
Charges for Services										
Enterprise Funds	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	2,347,020
Operating Grants and Contributions	-	-	2,347,020	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	1,453,167	1,593,163	4,033,664	1,717,142	1,847,567	1,327,445	9,282	2,021,023	2,108,763	2,347,020
Total District Program Revenues	\$ 20,359,717	\$ 24,985,507	\$ 34,245,692	\$ 35,414,176	\$ 29,804,752	\$ 26,036,736	\$ 32,976,253	\$ 34,469,312	\$ 26,023,804	\$ 25,307,908
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (79,900,497)
Business-Type Activities	(184,772)	(107,750)	2,371,844	(28,731)	25,276	63,629	(84,389)	226,705	203,496	119,386
Total District-Wide Net Expense	<u>(66,383,024)</u>	<u>(67,607,769)</u>	<u>(69,314,088)</u>	<u>(71,481,100)</u>	<u>(70,989,867)</u>	<u>(71,006,494)</u>	<u>(72,334,087)</u>	<u>(70,204,652)</u>	<u>(72,758,346)</u>	<u>(79,781,111)</u>

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes - General Purposes	\$ 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	\$ 78,627,608
Property Taxes - Debt Service	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	959,401
Federal and State Aid - Unrestricted	71,118	78,884	112,061	120,729	10,308					
Federal and State Aid - Restricted	126,598	130,043	132,442	130,850	106,556	499,342	257,332	277,229	288,164	339,999
Donated Capital Assets		-	-	-	-	-	-	-	-	-
Investment Earnings	30,249	39,653	54,846	198,628	431,904	237,351	49,001	65,093	604,848	917,330
Miscellaneous Income	277,327	305,374	167,056	467,241	202,604	375,394	641,824	184,546	435,857	147,575
Transfers			(47,425)	(45,000)	(49,327)	(44,378)	(60,000)	(200,000)	(148,069)	(217,027)
Total Governmental Activities	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	80,774,886
Business-Type Activities:										
Investment Earnings	255	414	463	988	1,862	829	23	270	4,885	6,819
Transfers			47,425	45,000	49,327	44,378	60,000	200,000	148,069	217,027
Total Business-Type Activities	255	414	47,888	45,988	51,189	45,207	60,023	200,270	152,954	223,846
Total District-Wide	\$ 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	\$ 80,998,732
Change in Net Position										
Governmental Activities	\$ 325,800	\$ 347,810	\$ (2,674,411)	\$ (722,125)	\$ 1,320,481	\$ 3,027,453	\$ 3,255,744	\$ 6,297,584	\$ 5,434,483	\$ 874,389
Business-Type Activities	(184,517)	(107,336)	2,419,732	17,257	76,465	108,836	(24,366)	426,975	356,450	343,232
Total District	\$ 141,283	\$ 240,474	\$ (254,679)	\$ (704,868)	\$ 1,396,946	\$ 3,136,289	\$ 3,231,378	\$ 6,724,559	\$ 5,790,933	\$ 1,217,621

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

	As of June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 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	\$ 10,874,612
Committed								2,887,302	717,404	342,864
Assigned	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	2,859,303
Unassigned	1,093,011	211,280	(347,247)	(496,551)	(309,083)	(418,369)	802,262	34,550	(532,400)	(481,634)
Total General Fund	<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>	<u>\$ 13,595,145</u>
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	\$ 49,275	\$ 47,164	\$ 116,169	\$ 15,300,293	\$ 10,554,338	\$ 5,144,359	\$ 905,994	\$ 525,764	\$ 455,064	\$ 563,985
Total All Other Governmental Funds	<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>	<u>\$ 563,985</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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Property Taxes	\$ 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	\$ 79,587,009
Tuition Charges	140,049	147,706	131,082	175,812	244,142	307,210	154,534	239,290	212,799	187,842
Interest Earnings	30,249	39,653	54,846	198,628	431,904	237,351	49,001	65,093	604,848	917,330
Miscellaneous	619,216	636,963	492,233	802,285	503,866	582,400	1,023,482	960,964	1,557,175	1,316,829
State Sources	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	29,041,335
Federal Sources	966,437	1,032,314	926,723	853,725	1,028,649	1,005,802	1,145,083	1,715,811	2,240,556	1,844,511
Total Revenues	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	112,894,856
Expenditures										
Instruction										
Regular Instruction	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	41,849,099
Special Education Instruction	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	18,872,815
Other Instruction	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	3,056,702
School Sponsored Activities and Athletics	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	3,215,436
Support Services:										
Tuition										
Student & Inst. Related Services	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	16,554,485
General Administration	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	2,692,416
School Administrative Services	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	5,127,182
Business/Central Services	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	2,525,979
Plant Operations and Maintenance	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	7,688,922
Pupil Transportation	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	6,990,051
Capital Outlay	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	2,748,069
Debt Service:										
Principal	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	1,648,525
Interest and Other Charges	663,918	672,800	449,816	379,263	809,279	820,120	769,925	679,154	602,883	549,511
Total Expenditures	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	113,519,192
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(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)	(624,336)
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	366,971		1,023,361	388,332	3,009,597	2,250,823	396,143	303,200	305,711	335,350
Cancelled Grants Receivable		(107,205)								
Transfers In		421,766		133,928	248,659	82,863	4,774	899	4,801	3,581
Transfers Out		(421,766)	(47,425)	(178,928)	(297,986)	(127,241)	(64,774)	(200,899)	(152,870)	(220,608)
Total Other Financing Sources (Uses)	366,971	(12,350)	975,936	17,948,300	2,960,270	2,206,445	336,143	103,200	157,642	118,323
Net Change in Fund Balances	\$ (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)	\$ (506,013)
Debt Service as a Percentage of										
Noncapital Expenditures	3.70%	3.70%	3.48%	3.55%	4.15%	4.68%	3.57%	3.37%	2.58%	1.98%

* 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
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
2024	913,749	187,842	325,595	21,943	31,957	4,846		88,829	1,574,761

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
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
2024	50,985,400	3,824,181,100	12,137,500	166,100	243,143,900	340,584,000	79,018,000	4,550,216,000	2,705,779	4,552,921,779	5,767,390,897	1.770

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)

<u>Overlapping Rates</u>						Total Direct and Overlapping Tax Rate
<u>Calendar Year</u>	<u>School Tax Rate</u>	<u>Fire Districts</u>	<u>Municipality</u>	<u>County</u>		
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
2024	1.770	0.046	0.535	0.310		2.661

Source: County Abstract of Ratables

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

Taxpayer	2024		2015	
	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	1.65%		
Chapin Road Property LLC	44,000,000	0.97%		
Milwe, Jane	37,000,000	0.81%		
Newark Morning Ledger	19,500,000	0.43%		
O'Dowd's, Inc.	16,717,000	0.37%		
O'Dowd's, Inc.	15,222,000	0.33%		
PCS REALTY LLC	13,000,000	0.29%		
10 Bloomfield A & B Pine Brook NJ	12,524,700	0.28%		
LRF3 NJ MONTVILLE LLC	11,800,500	0.26%		
Triangle 46 Prop LLC	<u>11,570,000</u>	<u>0.25%</u>		
	<u>\$ 256,334,700</u>	<u>5.63%</u>		
RG Realty Investors LLC			\$ 75,000,500	1.66%
19 Chapin C/O AEW Capital Mgmt			56,900,500	1.26%
Newark Morning Ledger			19,500,000	0.43%
Milwe, Jane			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%
Algonquin Gas Trans Co.			15,592,300	0.35%
O'Dowd's, Inc.			15,222,000	0.34%
RCS Montville LLC			<u>13,902,000</u>	<u>0.31%</u>
			<u>\$ 264,390,800</u>	<u>5.87%</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	
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
2024	79,587,009	79,587,009	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			
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	22,493	667
2024	14,000,000		14,000,000	22,493 *	622

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			
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%	667
2024	14,000,000		14,000,000	0.31%	622

Source: District records

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
(Unaudited)

Direct Debt: (1)	
Montville Township Public Schools	\$ 15,001,887
Township of Montville, Net Debt	<u>39,473,705</u>
	<u>54,475,592</u>
Overlapping Debt Apportioned to the Municipality:	
County of Morris (A)	21,769,666
Fire Districts	(B) <u>-</u>
	<u>21,769,666</u>
Total Direct and Overlapping Debt	<u><u>\$ 76,245,258</u></u>

Source:

(1) Township's 2023 Annual Debt Statement

(A) The debt for this entity was apportioned to Montville Township Public Schools by dividing the municipality's 2023 equalized value by the total 2023 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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 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	\$ 216,503,273
Total net debt applicable to limit	(13,940,000)	(11,610,000)	(9,570,000)	(25,065,887)	(22,882,113)	(20,543,113)	(18,571,887)	(16,501,887)	(15,001,887)	(14,001,887)
Legal debt margin	<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>	<u>\$ 202,501,386</u>
Total net debt applicable to the limit as a percentage of debt limit	-7.22%	-6.03%	-4.88%	-12.61%	-11.40%	-10.28%	-9.31%	-8.18%	-7.24%	-6.47%

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis

2023	\$ 5,727,921,695
2022	5,358,717,409
2021	5,151,106,366
	<u>\$ 16,237,745,470</u>

Average equalized valuation of taxable property \$ 5,412,581,823

Debt Limit (4% of average equalization value) 216,503,273
Total Net Debt Applicable to Limit (14,001,887)

Legal debt margin \$ 202,501,386

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>
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	111,597	2.90%
2023	22,493	not available	3.60%
2024	22,493 *	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)**

	<u>2024</u>		<u>2015</u>	
		Percentage of Total Municipal Employment		Percentage of Total Municipal Employment
<u>Employer</u>	<u>Employees</u>		<u>Employees</u>	

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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction										
Regular	277	275	297	288	277	280	285	276	288	288
Special Education	97	99	84	168	147	157	164	88	148	152
Other Instruction	3	3	3	18	18	18	21	3	21	21
School Sponsored Activities/Athletics	2	2	2	3	3	3	3	2	3	3
Support Services:										
Student & Instruction Related Services	192	208	202	133	130	112	92	174	94	94
General Administration	17	17	26	26	27	27	27	15	29	29
School Administrative Services	25	25	36	14	14	14	14	26	14	14
Central Services	7	7	9	8	8	8	8	6	8	8
Plant Operations and Maintenance	38	35	13	18	22	22	12	36	11	11
Plant Operations and Maintenance	1	1	1	1	1	1	1	1	1	2
Total	<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>	<u>622</u>

Source: District Personnel Records

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

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				
2015	3,915	75,332,750	19,242	11.56%	375	1:15	1:15	1:12	3,886	3,755	-4.50%	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%
2024	3,438	108,573,087	31,580	6.50%	345	1:9	1:10	1:11	3,412	3,258	-0.06%	95.49%

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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<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	340	332	296	381	331	366	326	329	337	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	365	360	339	375	312	321	311	370	326	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	267	271	264	365	245	230	230	282	271	273
<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	416	409	428	375	388	398	363	427	419	366
<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	298	266	278	353	279	317	289	329	320	304
<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	967	928	910	1,034	900	888	870	966	978	723
<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	1,233	1,207	1,219	1,265	1,164	1,139	1,040	1,336	1,289	1,104

Number of Schools at June 30, 2024

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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>School Facilities</u>										
Cedar Hill School	\$ 81,670	\$ 74,845	\$ 79,388	\$ 85,284	\$ 82,032	\$ 76,131	\$ 131,427	\$ 95,849	\$ 102,521	\$ 126,085
Hilldale School	65,416	59,949	63,962	68,311	65,706	60,980	105,271	76,774	82,118	100,992
William Mason School	65,374	59,910	58,950	68,267	65,664	60,940	105,203	76,724	82,064	100,927
Valley View School	96,610	88,537	88,743	100,886	97,039	90,058	155,470	113,384	121,276	149,151
Woodmont School	76,021	69,668	76,702	79,385	76,358	70,865	122,336	89,219	95,430	117,364
Robert R. Lazar Middle School	188,334	172,596	179,042	196,669	189,170	175,562	303,077	221,032	236,418	290,758
High School	392,824	359,997	394,127	403,743	388,458	366,183	632,153	461,024	493,116	606,457
Total School Facilities	<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>	<u>1,491,734</u>
Other Facilities	<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>	<u>4,686</u>
Grand Total	<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>	<u>\$ 1,496,420</u>

Source: District Records

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
INSURANCE SCHEDULE
JUNE 30, 2024
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property- Blanket Building and Contents	\$ 189,923,653	\$ 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 Layered	25,000,000	
General Liability - Aggregate Layered	25,000,000	
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 Legionella		50,000
Travel Accident Insurance		
Limit of Liability	100,000	
Cyber Liability		
Limit of Liability	2,000,000	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	
Self-Insured Retention	500,000	
Maximum Limit of Indemnity	Statutory	

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 and each major fund of the Montville Township Public Schools as of and for the fiscal year ended June 30, 2024 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 December 5, 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.

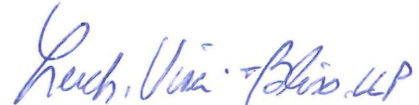
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not 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
 December 5, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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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, 2024. 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, 2024.

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.

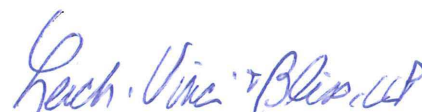
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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 and each major fund of the Montville Township Public Schools, as of and for the fiscal year ended June 30, 2024, 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 December 5, 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
December 5, 2024

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal	FAIN	Grant	Award	Balance	Carryover	Cash	Budgetary	Accounts	Funds Released		Balance, June 30, 2024		MEMO
	AL Number	Number	Period	Amount	July 1, 2023	Amount	Received	Expenditures	Receivable Carryover	Accounts Receivable	Unearned Revenue	(Accounts Receivable)	Unearned Revenue	GAAP Receivable
General Fund														
U.S. Department of Homeland Security Passed-through State Department of Law and Public Safety														
FEMA - Disaster Recovery Assistance	97.036	N/A	7/1/23-6/30/24	\$ 16,338	-	-	\$ 16,338	\$ 16,338	-	-	-	-	-	-
Total General Fund					-	-	16,338	16,338	-	-	-	-	-	-
U.S. Department of Education Passed-through State Department of Education														
Special Revenue Fund:														
IDEA														
Basic	84.027	H027A230100	7/1/23-9/30/24	819,561		\$ 81,938	354,793	757,697	\$ (81,938)			\$ (546,706)	\$ 143,802	\$ 402,904
Basic	84.027	H027A220100	7/1/22-9/30/23	760,107	\$ (52,464)	(81,938)	237,591	185,127	81,938					
ARP Basic	84.027X	H027A210100	7/1/21-9/30/22	151,118	(29,936)		29,936			636	(636)			-
Preschool	84.173	H173A230114	7/1/23-9/30/24	32,128	-	6,968	19,428	25,827	(6,968)			(19,668)	13,269	6,399
Preschool	84.173	H173A220114	7/1/22-9/30/23	32,084	(6,968)				6,968					
ARP Preschool	84.173X	H173A210114	7/1/21-9/30/22	12,908	(12,208)	-	12,908	700	-	-	-	-	-	-
Total Special Education Cluster					(94,608)	-	654,656	969,351	-	636	(636)	(566,374)	157,071	409,303
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										
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	25,000	(505)		1,601	1,096						-
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000			20,635	20,635						-
Elementary and Secondary School Emergency Relief (ESSER III)														
American Rescue Plan														
ARP ESSER	84.425U	S425U210027	3/13/20-9/30/24	712,036	(112,462)		110,232	59,050				(61,281)	1	61,280
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	273,618	(32,596)		101,464	185,811				(116,943)		116,943
Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(2,555)		3,996	1,468				(2,629)	2,602	27
Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(7,767)		5,011	4,644				(10,731)	3,331	7,400
Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000			23,605	45,000				(21,395)		21,395
High Impact Tutoring	84.425V	S425V230027	10/11/23-8/31/24	75,985	-	-	-	39,163	-	-	-	(75,985)	36,822	39,163
Total ESSER Cluster					(155,885)	-	266,544	356,867	-	-	-	(288,964)	42,756	246,208
Coronavirus State and Local Fiscal Recovery Funds														
DOE Special Education Services (ASCERS)	21.027	SLFRFDOE1SES	7/1/23-6/30/24	266,476			134,753	266,476				(131,723)		131,723
DOE Special Education Services (ASCERS)	21.027	SLFRFDOE1SES	7/1/22-6/30/23	312,871	(141,628)	-	141,628	-	-	-	-	-	-	-
ESEA														
Title I	84.010	S010A230030	7/1/23-9/30/24	107,103		9,631	41,746	104,738	(9,631)			\$ (74,988)	11,996	62,992
Title I	84.010	S010A220030	7/1/22-9/30/23	105,204	(81,215)	(9,631)	81,215		9,631					
Title IIA	84.367	S367A230029	7/1/23-9/30/24	49,867		27,605	14,376	70,449	(27,605)			(63,096)	7,023	56,073
Title IIA	84.367	S367A220029	7/1/22-9/30/23	50,620	(11,651)	(27,605)	14,965	3,314	27,605					
Title III	84.365	S365A230030	7/1/23-9/30/24	14,888		1,561	10,641	14,564	(1,561)			(5,808)	1,885	3,923
Title III	84.365	S365A220030	7/1/22-9/30/23	14,305	(10,127)	(1,561)	10,127		1,561					
Title IV	84.424	S424A230031	7/1/23-9/30/24	10,000	-	2,000	2,089	10,989	(2,000)			(9,911)	1,011	8,900
Title IV	84.424	S424A220031	7/1/22-9/30/23	10,000	-	(2,000)	-	-	2,000	-	-	-	-	-
Total Special Revenue Fund					(495,114)	-	1,372,740	1,796,748	-	636	(636)	(1,140,864)	221,742	919,122
Total Federal Financial Awards					\$ (495,114)	\$ -	\$ 1,389,078	\$ 1,813,086	\$ -	\$ 636	\$ (636)	\$ (1,140,864)	\$ 221,742	\$ 919,122

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2023		Cash Received	Budgetary Expenditures	Refund of Prior Year Balances	June 30, 2024			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	24-495-034-5120-089	7/1/23-6/30/24	\$ 3,758,782			\$ 3,405,716	\$ 3,758,782		\$ (353,066)			\$	3,758,782
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	3,369,797	\$ (316,383)		316,383							
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	315,780			284,202	315,780		(31,578)				315,780
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	70,614	(8,437)	-	8,437	-	-	-	-	-	-	-
Total State Aid Public Cluster				(324,820)	-	4,014,738	4,074,562	-	(384,644)	-	-	-	4,074,562
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	1,062,219			955,996	1,062,219		(106,223)				1,062,219
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	1,018,949	(97,024)		97,024							
Nonpublic Transportation Reimbursement	not available	7/1/23-6/30/24	95,450				95,450		(95,450)			\$ (95,450)	95,450
Nonpublic Transportation Reimbursement	not available	7/1/22-6/30/23	65,002	(65,002)	-	65,002	-	-	-	-	-	-	-
Transportation Aid Cluster				(162,026)	-	1,118,022	1,157,669	-	(201,673)	-	-	(95,450)	1,157,669
Extraordinary Aid	24-100-034-5120-473	7/1/23-6/30/24	2,317,505				2,317,505		(2,317,505)				2,317,505
Extraordinary Aid	23-100-034-5120-473	7/1/22-6/30/23	2,762,394	(2,762,394)		2,762,394							
On Behalf TPAF													
Pension Contribution	24-495-034-5094-002	7/1/23-6/30/24	13,729,149			13,729,149	13,729,149						13,729,149
Pension Contribution - NCGI	24-495-034-5094-004	7/1/23-6/30/24	156,573			156,573	156,573						156,573
Post Retirement Medical Contr.	24-495-034-5094-001	7/1/23-6/30/24	3,779,186			3,779,186	3,779,186						3,779,186
Long Term Disability Insurance Contributions	24-495-034-5094-004	7/1/23-6/30/24	4,944			4,944	4,944						4,944
Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	2,818,145			2,677,659	2,818,145		(140,486)			(140,486)	2,818,145
Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	2,738,723	(135,741)	-	135,741	-	-	-	-	-	-	-
Total General Fund				(3,384,981)	-	28,378,406	28,037,733	-	(3,044,308)	-	-	(235,936)	28,037,733
Special Revenue Fund:													
New Jersey Nonpublic Aid													
Handicapped Services													
Examination and Classification	24-100-034-5120-066	7/1/23-6/30/24	18,008			18,008	7,018				\$ 10,990		7,018
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	12,897		1,299			\$ 1,299					
Corrective Speech	24-100-034-5120-066	7/1/23-6/30/24	15,810			15,810	8,835				6,975		8,835
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	11,811		93			93					
Supplemental Instruction	24-100-034-5120-066	7/1/23-6/30/24	2,478			2,478	2,395				83		2,395
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	1,652	-	783	-	-	783	-	-	-	-	-
Total Chapter 193 Cluster				-	2,175	36,296	18,248	2,175	-	-	18,048	-	18,248
New Jersey Nonpublic Aid													
Textbook Aid	24-100-034-5120-064	7/1/23-6/30/24	11,852			11,852	11,525				327		11,525
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	13,794		1,325			1,325					
Nursing Services	24-100-034-5120-070	7/1/23-6/30/24	24,720			24,720	20,914				3,806		20,914
Nursing Services	23-100-034-5120-070	7/1/22-6/30/23	23,408		3,144			3,144					
Technology	24-100-034-5120-373	7/1/23-6/30/24	10,045			10,045	9,706				339		9,706
Technology	23-100-034-5120-373	7/1/22-6/30/23	8,778		1,002			1,002			-		
Security	24-100-034-5120-509	7/1/23-6/30/24	42,230			42,230	34,547				7,683		34,547
Security	23-100-034-5120-509	7/1/22-6/30/23	42,845		11,144			11,144					
Alyssa's Law	not available	7/1/20-6/30/21	203,646	(203,646)		203,646							-
SDA - Capital and Emergent Needs Grant	not available	7/1/23-6/30/24	82,899			82,899	44,591			\$ 38,308			44,591
SDA - Capital and Emergent Needs Grant	not available	7/1/22-6/30/23	82,104	-	-	82,104	82,104	-	-	-	-	-	82,104
Total Special Revenue Fund				(203,646)	18,790	493,792	221,635	18,790	-	38,308	30,203	-	221,635

MONTVILLE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2023		Cash Received	Budgetary Expenditures	Refund of Prior Year Balances	June 30, 2024			MEMO	
				Unearned Revenue/ (Accts Rec.)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<u>Debt Service Fund</u>													
Debt Service Aid	24-100-034-5120-075	7/1/23-6/30/24	\$ 494,699	-	-	\$ 494,699	\$ 494,699	-	-	-	-	-	\$ 494,699
Total Debt Service Fund				-	-	494,699	494,699	-	-	-	-	-	494,699
Total State Financial Assistance				\$ (3,588,627)	\$ 18,790	29,366,897	28,754,067	\$ 18,790	\$ (3,044,308)	\$ 38,308	\$ 30,203	\$ (235,936)	28,754,067
State Financial Assistance Programs Not Subject to Calculation for Single Audit and Major Program Determination (On-Behalf TPAF)													
Pension Contribution	24-495-034-5094-002	7/1/23-6/30/24	13,729,149			(13,729,149)	(13,729,149)						(13,729,149)
Pension Contribution - NCGI	24-495-034-5094-004	7/1/23-6/30/24	156,573			(156,573)	(156,573)						(156,573)
Post Retirement Medical Contr.	24-495-034-5094-001	7/1/23-6/30/24	3,779,186			(3,779,186)	(3,779,186)						(3,779,186)
Long Term Disability Insurance Contribution	24-495-034-5094-004	7/1/23-6/30/24	4,944	-	-	(4,944)	(4,944)	-	-	-	-	-	(4,944)
Total State Financial Assistance Subject to Calculation for Single Audit and Major Program Determination				\$ (3,588,627)	\$ 18,790	\$ 11,697,045	\$ 11,084,215	\$ 18,790	\$ (3,044,308)	\$ 38,308	\$ 30,203	\$ (235,936)	\$ 11,084,215

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 Principles, 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 \$375,866 for the general fund and a decrease of \$47,173 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	\$ 16,338	\$ 28,413,599	\$ 28,429,937
Special Revenue Fund	1,828,173	133,037	1,961,210
Debt Service Fund	-	494,699	494,699
Total Financial Assistance	<u>\$ 1,844,511</u>	<u>\$ 29,041,335</u>	<u>\$ 30,885,846</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, 2024**

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 \$2,818,145, 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, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$13,885,722, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$3,779,186, and TPAF Long-Term Disability Insurance in the amount of \$4,944 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

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.

Financial Statement Section

Federal Awards Section

Identification of major programs:

Dollar threshold used to determine Type A programs:	\$	<u>750,000</u>
Auditee qualified as low-risk auditee?	X	yes no

State Awards Section

Identification of major programs:

\$750,000

**MONTVILLE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024**

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.