

MONTAGUE TOWNSHIP SCHOOL DISTRICT

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

**Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2025**

Annual Comprehensive

Financial Report

of the

Montague Township School District

Board of Education

Montague, New Jersey

For the Fiscal Year Ending June 30, 2025

Prepared by

Montague Township School District

Board of Education

Finance Department

OUTLINE OF ACFR

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Introductory Section



MONTAGUE TOWNSHIP SCHOOL DISTRICT



475 Route 206

Montague, New Jersey 07827

V: 973-293-7131/F: 973-293-3391

www.montagueschool.org

James Andriac

Superintendent

Alicia Citro

Vice Principal

Michael Bussow

*School Business Administrator/
Board Secretary*

Danielle Conklin

CSA Confidential Secretary

Melinda Tanzola

Administrative Assistant to the SBA

Dana Berry

Admin. Asst. to the Board Secretary

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

Dear Board Members:

The annual comprehensive financial report of the Montague Township School District (the "District") for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

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

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

3. **ECONOMIC CONDITION AND OUTLOOK:** During the 2024-2025 school year, an increase in expenses, coupled with cuts in State Aid, had an impact on our school district. Increases included Instruction, Special Education, Operations/Transportation, Benefits, Capital Projects, and High School Tuition.
4. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments, and assignments at June 30, 2025.

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

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

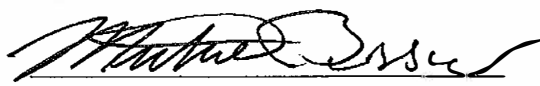
9. **OTHER INFORMATION:** Independent Audit-State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Company was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and New Jersey's OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The Auditors' Report on the basic financial statements, and specific required supplementary information, are included in the financial section of this report. The Auditors' Reports related specifically to the single audit and Government Auditing Standards are included in the single audit section of this report.
10. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Montague Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted:



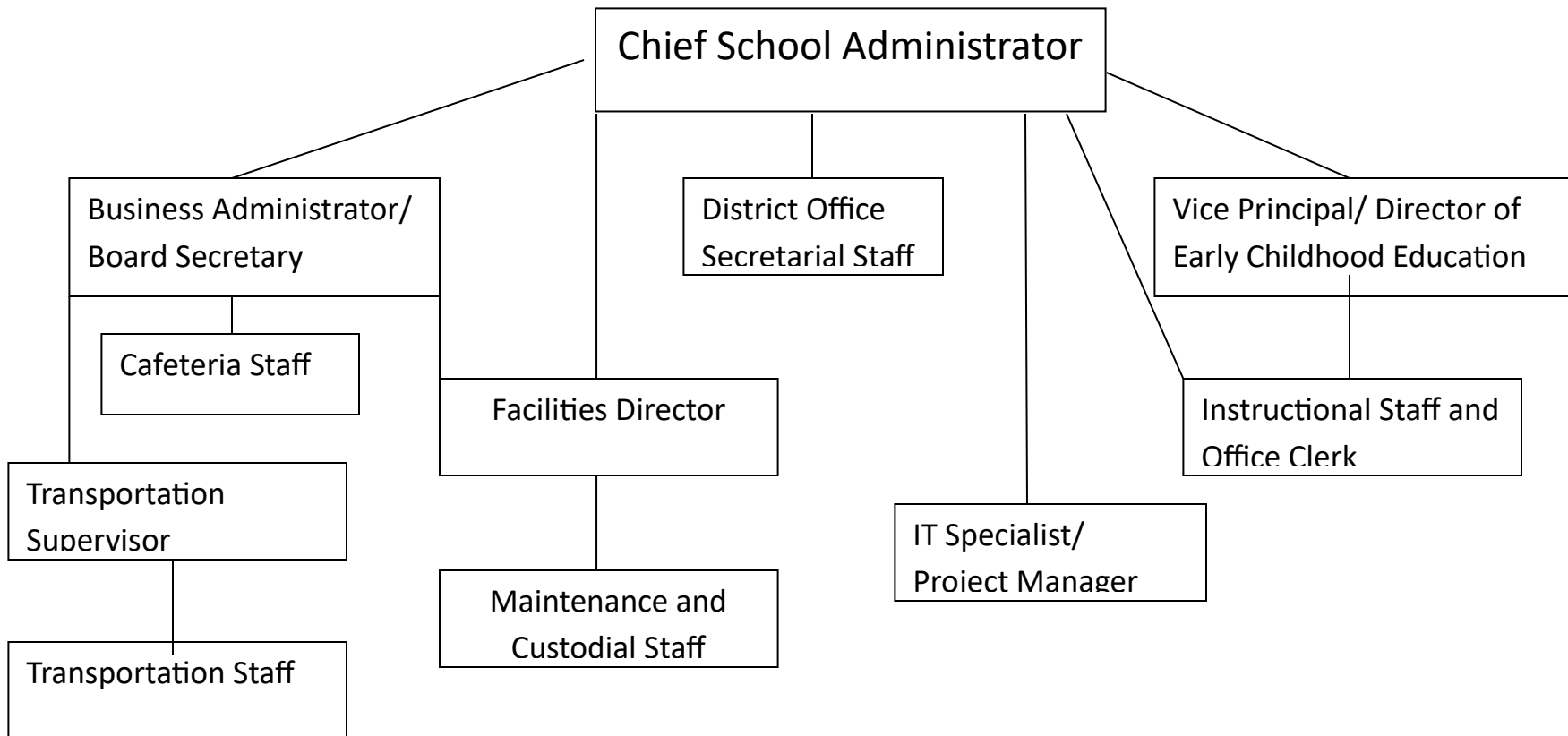
JAMES ANDRIAC
Superintendent/Principal

Respectfully submitted:



MICHAEL BUSSOW
Business Administrator/Board Secretary

Montague Township School District Organizational Chart



**MONTAGUE TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

ROSTER OF OFFICIALS

June 30, 2025

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Andree Campbell, President	12/31/2026
Michael Zernhelt, Vice President	12/31/2025
Paul Brislin	12/31/2026
Jamie Johnson	12/31/2026
Caitlin Bell	12/31/2027
Tasha DeGeorge	12/31/2025
Christopher Bell	12/31/2027

Other Officials

James Andriac, Chief School Administrator

Michael Bussow, School Business Administrator

Rene Metzgar, Treasurer of School Monies

**MONTAGUE TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

CONSULTANTS AND ADVISORS

ATTORNEY

Cleary Giacobbe Alfieri Jacobs, LLC
169 Ramapo Valley Road
Upper Level
Oakland, New Jersey 07436

AUDIT FIRM

Ardito & Company LLC
1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825

OFFICIAL DEPOSITORIES

Provident Bank
266 Clove Road
Montague, New Jersey 07827

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

Financial Section

Independent Auditor's Report



ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montague Township School District Board of Education, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montague Township School District Board of Education, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), 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 Montague Township School District Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, ***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 GAAS, ***Government Auditing Standards*** and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post-employment benefit trend information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Montague Township School District Board of Education's basic financial statements. The combining and individual non-

-Continued-

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated November 10, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 10, 2025

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 10, 2025

Required Supplementary Information - Part I

Management's Discussion and Analysis

MONTAGUE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

The discussion and analysis of MontagueTownship School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2025 are as follows:

- ◆ In total, Net Position decreased \$813,285 which represents a 12.5% decrease from 2024.
- ◆ General revenues accounted for \$8,557,360 in revenue or 53.3% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,936,587 or 46.7% of total revenues of \$13,493,947.
- ◆ Total assets of governmental activities decreased by \$32,948, as cash and cash equivalents decreased by \$1,657,387, receivables decreased by \$563,558, and capital assets increased by \$2,166,855.
- ◆ The School District had \$14,307,232 in expenses; only \$4,936,587 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$8,557,360 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$11,449,571 in revenues and \$12,108,158 in expenditures. The General Fund's surplus balance decreased \$2,761,384 over 2024, which compares to the budgeted decrease of \$1,702,486.

Using this Generally Accepted Accounting Principals Report (GAAP)

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

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2025?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Governmental Funds

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

The School District as a Whole

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

Table 1 provides a summary of the School District's Net Position for 2025 compared to 2024.

Table 1		
Net Position		
	<u>2025</u>	<u>2024</u>
Assets		
Current and Other Assets	\$ 2,538,229	\$ 4,738,032
Capital Assets	<u>5,734,416</u>	<u>3,567,561</u>
Total Assets	<u>8,272,645</u>	<u>8,305,593</u>
 Deferred Outflows of Resources	 <u>932,999</u>	 <u>1,297,034</u>
 Liabilities		
Long-Term Liabilities	1,749,833	1,950,532
Other Liabilities	<u>1,584,366</u>	<u>984,512</u>
Total Liabilities	<u>3,334,199</u>	<u>2,935,044</u>
 Deferred Inflows of Resources	 <u>198,346</u>	 <u>181,199</u>
 Net Position		
Invested in Capital Assets, Net of Debt	5,734,416	3,567,561
Restricted	901,464	2,970,589
Unrestricted	<u>(962,781)</u>	<u>(51,766)</u>
Total Net Position	<u>\$ 5,673,099</u>	<u>\$ 6,486,384</u>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Total assets of governmental activities decreased by \$32,948, as cash and cash equivalents decreased by \$1,657,387, receivables decreased by \$563,558, and capital assets increased by \$2,166,855.

The cash decrease was due to capital asset investments funded by capital reserves, receivables decreased due to reimbursement of COVID era federal grants spent in the prior year, and capital assets increased due to capital additions, net of depreciation.

Table 2 shows the changes in Net Position from fiscal year 2024.

Table 2
Changes in Net Position

	<u>2025</u>	<u>2024</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 18,814	\$ 13,898
Operating Grants and Contributions	4,917,773	5,567,319
General Revenues:		
Property Taxes	6,966,795	6,572,446
Federal & State Aid Not Restricted	1,366,560	-
Investment Earnings	182,844	174,044
Other	<u>41,161</u>	<u>131,666</u>
Total Revenues	<u>13,493,947</u>	<u>12,459,373</u>
Program Expenses		
Instruction	5,560,075	5,068,182
Support Services:		
Tuition	2,173,579	1,807,627
Pupils and Instructional Staff	2,318,880	2,586,005
General Administration, School Administration, Business	1,071,275	1,121,781
Operations and Maintenance of Facilities	2,063,305	1,006,214
Pupil Transportation	892,590	878,379
Other	993	993
Business-Type Activities	<u>226,535</u>	<u>124,656</u>
Total Expenses	<u>14,307,232</u>	<u>12,593,837</u>
Increase in Net Position	<u>\$ (813,285)</u>	<u>\$ (134,464)</u>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District in the form of ballot questions. Property taxes made up 51.6% percent of revenues for governmental activities for the Montague Township School District for the fiscal year 2025.

Instruction comprises 38.9% of district expenses. Support services expenses make up 59.6% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2024. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<u>Total Cost of Services 2025</u>	<u>Net Cost of Services 2025</u>	<u>Total Cost of Services 2024</u>	<u>Net Cost of Services 2024</u>
Instruction	\$ 5,560,075	\$ 2,542,424	\$ 5,068,182	\$ 1,775,881
Support Services:				
Tuition	2,173,579	2,173,579	1,807,627	1,807,627
Pupils and Instructional Staff	2,318,880	1,200,390	2,586,005	1,025,911
General Admin., School Admin., Business	1,071,275	603,414	1,121,781	648,584
Operation and Maintenance of Facilities	2,063,305	1,886,630	1,006,214	827,525
Pupil Transportation	892,590	892,590	878,379	878,379
Other Fiscal Charges	993	993	993	993
Business-Type Activities	<u>226,535</u>	<u>70,625</u>	<u>124,656</u>	<u>47,720</u>
Total Expenses	<u>\$ 14,307,232</u>	<u>\$ 9,370,645</u>	<u>\$ 12,593,837</u>	<u>\$ 7,012,620</u>

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

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

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

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

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

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

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

The dependence upon tax revenues is apparent. Over 45.7% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 79.3%. The community, as a whole, is the primary support for the Montague Township School District.

The School District's Funds

Information about the School District's major funds starts on page 24. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$14,333,016 and expenditures of \$17,063,079. The General Fund's surplus balance decreased \$2,761,384 over 2024, which compares to the budgeted decrease of \$1,702,486.

General Fund Budgeting Highlights

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

During the course of the fiscal 2025 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$9,773,303, \$174,234 over original budgeted estimates of \$9,599,069. This difference was due primarily to an increases in miscellaneous revenues (interest earned), and non-budgeted extraordinary aid.

General fund revenues fell short of expenditures by \$2,754,591. Again this deficit compares to a budgeted deficit of \$1,702,486, which was due to the budgeted use of surplus needed to balance the 2024-2025 budget. The actual deficit increased over the budgeted deficit due to additional capital reserve transfers to the capital projects fund, and subsequent spending on the preschool classroom project.

Overall general fund balance (budget basis) was \$1,272,268, and amounts ear-marked and reserved for future purposes were \$909,731, creating a surplus in unreserved statutory fund balance of \$362,537. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Capital Assets

At the end of the fiscal year 2025, the School District had \$5,734,416 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2025 balances compared to 2024.

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

	<u>2025</u>	<u>2024</u>
Land	\$ 45,148	\$ 45,148
Land Improvements	92,997	100,368
Buildings and Improvements	5,155,198	2,874,906
Machinery and Equipment	<u>441,073</u>	<u>546,798</u>
Totals	<u>\$ 5,734,416</u>	<u>\$ 3,567,220</u>

Overall capital assets increased \$2,167,196 from fiscal year 2024 to fiscal year 2025. The increase in capital assets was due to capital additions, net of depreciation expense for the year.

Capital improvements of \$3,118,027 were purchased during fiscal year 2025 and are mainly costs associated with the Preschool classroom addition project, HVAC upgrades, and paving projects.

Debt Administration

At June 30, 2025, the School District had \$40,194 as outstanding long term debt. Of this amount, \$40,194 is for compensated absences.

At June 30, 2025, the School District's overall legal debt margin was \$14,323,150 and the unvoted debt margin was the same.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

For the Future

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

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator/Board Secretary at Montague Township School District, 475 Route 206, Montague, NJ 07827.

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2025

	GOVERNMENTAL BUSINESS-TYPE		
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 2,286,381	\$ (1,841)	\$ 2,284,540
Receivables, Net	219,753	12,794	232,547
Inventory	21,142		21,142
Capital Assets, Net (Note 4):	5,734,416		5,734,416
Total Assets	8,261,692	10,953	8,272,645
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows (Note 8)	932,999		932,999
LIABILITIES			
Accounts Payable	1,054,213	11,648	1,065,861
Interfund Payables	-	21,142	21,142
Payroll Deductions and Withholdings Payable	289,145		289,145
Payable to Federal & State Government	195		195
Unearned Revenue	208,023		208,023
Net Pension Liability (Note 8)	1,709,639		1,709,639
Noncurrent Liabilities (Note 5):			
Due Beyond One Year	40,194		40,194
Total Liabilities	3,301,409	32,790	3,334,199
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows (Note 8)	198,346		198,346
NET POSITION			
Invested in Capital Assets, Net of Related Debt	5,734,416		5,734,416
Restricted for:			
Capital Reserve Account	153,284		153,284
Maintenance Reserve Account	222,212		222,212
Other Purposes	525,968		525,968
Unrestricted	(940,944)	(21,837)	(962,781)
Total Net Position	\$ 5,694,936	\$ (21,837)	\$ 5,673,099

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
Governmental Activities:						
Instruction:						
Regular	\$ 4,499,271		\$ 2,530,159		\$ (1,969,112)	\$ (1,969,112)
Special Education	818,483		487,492		(330,991)	(330,991)
Other Special Instruction	242,321		-		(242,321)	(242,321)
Support Services:						
Tuition	2,173,579		-		(2,173,579)	(2,173,579)
Student & Instruction Related Services	2,318,880		1,118,490		(1,200,390)	(1,200,390)
School Administrative Services	327,834		281,371		(46,463)	(46,463)
General and Business Admin. Services	743,441		186,490		(556,951)	(556,951)
Plant Operations and Maintenance	2,063,305		176,675		(1,886,630)	(1,886,630)
Pupil Transportation	892,590		-		(892,590)	(892,590)
Other Fiscal Charges	993		-		(993)	(993)
Total Governmental Activities	14,080,697	-	4,780,677	-	(9,300,020)	-
Business-Type Activities:						
Food Service	226,535	18,814	137,096			\$ (70,625)
After-Care	-	-	-			-
Total Business-Type Activities	226,535	18,814	137,096	-	-	(70,625)
Total Primary Government	\$ 14,307,232	\$ 18,814	\$ 4,917,773		\$ (9,300,020)	\$ (70,625)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net					\$ 6,966,795	\$ 6,966,795
Investment Earnings					182,154	690
Miscellaneous Income					41,161	41,161
State Aid for Capital Asset Projects					1,366,560	1,366,560
Transfers					(40,000)	40,000
Total General Revenues, Special Items, Extraordinary Items and Transfers					8,516,670	40,690
Change in Net Position					(783,350)	(29,935)
Net Position—Beginning					6,478,286	8,098
Net Position—Ending					\$ 5,694,936	\$ (21,837)
						\$ 5,673,099

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

FUND FINANCIAL STATEMENTS

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	\$ 1,753,219	\$ 99,796	\$ 433,366	\$ 2,286,381
Interfund Receivables	21,142	56,720	41,376	119,238
Receivables from Other Governments	219,753	-		219,753
TOTAL ASSETS	\$ 1,994,114	\$ 156,516	\$ 474,742	\$ 2,625,372
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 547,525	\$ 31,946	\$ 474,742	\$ 1,054,213
Payroll Deductions and Withholdings Payable	289,145			289,145
Payable to Federal Government		195		195
Interfund Payable	98,076	20		98,096
Deferred Revenue		208,023		208,023
Total Liabilities	934,746	240,184	474,742	1,649,672
Fund Balances:				
<u>Restricted for:</u>				
Capital Reserve Account	\$ 153,284			153,284
Maintenance Reserve	222,212			222,212
Impact Aid Reserve	61,794			61,794
Excess Surplus - Designated for				
Subsequent Year's Expenditures	344,953			344,953
Student Activities		6,748		6,748
Scholarships		421		421
<u>Assigned to:</u>				
General Fund - Designated for				
Subsequent Year's Expenditures	112,052			112,052
Year-End Encumbrances	15,436			15,436
<u>Unassigned:</u>				
General Fund	149,637			149,637
Special Revenue Fund		(90,837)		(90,837)
Capital Projects Fund			-	-
Total Fund Balances	1,059,368	(83,668)	-	975,700
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,994,114	\$ 156,516	\$ 474,742	\$ 2,625,372

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,698,284 and the accumulated depreciation is \$4,963,868.	\$5,734,416
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date are not current financial resources and therefore are not reported in the fund statements. (See Note 8)	932,999
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns are not reported as liabilities in the fund statements. (See Note 8)	(198,346)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)	(1,709,639)
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 5)	(40,194)
Net Position of governmental activities	<u>\$ 5,694,936</u>

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local sources:				
Local Tax Levy	\$ 6,966,795			\$ 6,966,795
Tuition	-			-
Miscellaneous	215,350	\$ 7,965		223,315
Total - Local Sources	7,182,145	7,965	-	7,190,110
State Sources	4,094,424	980,634	\$ 1,366,560	6,441,618
Federal Sources	173,002	528,286		701,288
Total Revenues	11,449,571	1,516,885	1,366,560	14,333,016
EXPENDITURES				
Current:				
Regular Instruction	1,769,772	728,503		2,498,275
Special Education Instruction	347,532			347,532
Other Special Instruction	242,321			242,321
School Sponsored Other Instruction				-
Support services and undistributed costs:				
Tuition	2,173,579			2,173,579
Student and Instruction Related Services	1,195,062	630,998		1,826,060
School Administrative Services	84,917			84,917
Other Administrative Services	551,658			551,658
Plant Operations and Maintenance	691,733			691,733
Pupil Transportation	892,590			892,590
Unallocated Benefits	3,354,061			3,354,061
Transfer to Charter School	175,174			175,174
Capital Outlay	629,759	234,800	3,360,620	4,225,179
Total Expenditures	12,108,158	1,594,301	3,360,620	17,063,079
Excess (Deficiency) of				
Revenues Over Expenditures	(658,587)	(77,416)	(1,994,060)	(2,730,063)
OTHER FINANCING SOURCES (USES)				
Transfers to Food Service Fund	(40,000)			(40,000)
Transfer to Special Revenue Fund - Preschool	(68,737)	68,737	-	-
Transfer to Capital Projects Fund	(1,994,060)		1,994,060	-
Total Other Financing Sources and Uses	(2,102,797)	68,737	1,994,060	(40,000)
Net Change in Fund Balances	(2,761,384)	(8,679)	-	(2,770,063)
Fund Balance—July 1	3,820,752	(74,989)	-	3,745,763
Fund Balance—June 30	\$ 1,059,368	\$ (83,668)	-	\$ 975,700

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$(2,770,063)

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

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

Depreciation Expense	\$ (950,831)	
Capital Outlays	<u>3,118,027</u>	2,167,196

Pension contributions are reported in governmental funds as expenditures. However,
in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including
service and interest costs, administrative costs, investment returns, and experience/assumption.
This is the amount by which net pension liability and deferred inflows/outflows related to pension
changed during the period. (191,711)

In the statement of activities, compensated absences is accrued regardless of
when paid. In the governmental funds, compensated absences are reported
when paid. This amount is the amount by which the current year's
compensated absence payments exceed the current year's amount earned. 11,228

Change in Net Position of Governmental Activities **\$ (783,350)**

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
PROPRIETARY FUNDS

June 30, 2025

		Business-Type Activities - Enterprise Funds	
		Food	
		<u>Service</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$	(1,841)	\$ (1,841)
Accounts Receivable		12,794	12,794
Total Current Assets		<u>10,953</u>	<u>10,953</u>
Noncurrent Assets:			
Furniture, Machinery and Equipment		22,205	22,205
Less Accumulated Depreciation		(22,205)	(22,205)
Total Noncurrent Assets		<u>-</u>	<u>-</u>
Total Assets		<u>10,953</u>	<u>10,953</u>
LIABILITIES			
Current liabilities:			
Accounts Payable		11,648	11,648
Interfund Payable		21,142	21,142
Total Current Liabilities		<u>32,790</u>	<u>32,790</u>
Total Liabilities		<u>32,790</u>	<u>32,790</u>
NET POSITION			
Invested in Capital Assets Net of Related Debt		-	-
Unrestricted		(21,837)	(21,837)
Total Net Position	\$	<u>(21,837)</u>	<u>(21,837)</u>

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 18,814	\$ 18,814
Miscellaneous	690	690
Total Operating Revenues	19,504	19,504
 Operating Expenses:		
Cost of Sales - Reimbursable Programs	165,947	165,947
Salaries	37,000	37,000
Supplies	20,597	20,597
Miscellaneous	2,650	2,650
Depreciation	341	341
Total Operating Expenses	226,535	226,535
 Operating Income (Loss)	 (207,031)	 (207,031)
 Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	5,559	5,559
Federal Sources:		
National School Lunch Program	69,837	69,837
School Breakfast Program	40,997	40,997
School Equipment Program	20,060	20,060
P-EBT Administrative Cost Reimbursement	643	643
Total Nonoperating Revenues (Expenses)	137,096	137,096
 Income (Loss) Before Contributions and Transfers	 (69,935)	 (69,935)
 Transfers In (Out)	 40,000	 40,000
Change in Net Position	(29,935)	(29,935)
 Total Net Position—Beginning	 8,098	 8,098
Total Net Position—Ending	\$ (21,837)	\$ (21,837)

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds	
	<u>Food Service</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 19,504	\$ 19,504
Payments to Employees	(37,000)	(37,000)
Payments to Suppliers	(177,546)	(177,546)
Net Cash Provided by (used for) Operating Activities	(195,042)	(195,042)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from Other Funds	61,142	61,142
State Sources	5,174	5,174
Federal Sources	122,179	122,179
Net Cash Provided by (used for) Non-Capital Financing Activities	188,495	188,495
Net Increase (Decrease) in Cash and Cash Equivalents	(6,547)	(6,547)
Balances—Beginning of Year	4,706	4,706
Balances—End of Year	\$ (1,841)	\$ (1,841)
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ (207,031)	\$ (207,031)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Depreciation and Net Amortization	341	341
Federal Commodities	-	-
(Increase) Decrease in Accounts Receivable, Net	-	-
(Increase) Decrease in Inventories	-	-
Increase (Decrease) in Accounts Payable	11,648	11,648
Total Adjustments	11,989	11,989
Net Cash Provided by (used for) Operating Activities	\$ (195,042)	\$ (195,042)

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

Notes to Financial Statements

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, GASB 84, Fiduciary Activities, GASB 87, Leases, GASB 96, Subscriptions, GASB 98, Annual Comprehensive Financial Report, GASB 100, Accounting Changes and Error Corrections, and GASB 101, Compensated Absences. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2024.

A. Reporting Entity:

The Montague Township School District is a Type II district located in the County of Sussex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Montague Township School District had an approximate enrollment at June 30, 2025, of 331 students.

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

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

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

GOVERNMENTAL FUNDS (Continued)

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes. The special revenue fund also accounts for student activities.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

PROPRIETARY FUNDS

The District reports the following proprietary fund:

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

Basis of Accounting

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

District-wide, Proprietary, Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year.

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

C. Budgets/Budgetary Control:

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

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year). Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control (Continued):

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

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

D. Encumbrance Accounting:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

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

Interfund Transactions:

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

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Inventories:

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

Allowance for Uncollectible Accounts:

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

Capital Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

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

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

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

Compensated Absences:

The District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No.101 (GASB 101), "Compensated Absences". Examples of compensated absences are paid time off, sick leave, holidays, parental leave, military leave, jury duty, bereavement, sabbatical, and floating holidays.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

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

The liability for compensated absences was accrued and determined based on 1.) leave that has not been used, and 2.) leave that has been used but not yet paid in cash or settled through noncash means. For leave that has not been used, a liability is recognized if, 1.) the leave is attributable to services already rendered, 2.) the leave accumulates (no-use-it-or-lose-it), and, the leave is more likely to than not to be used for time off or otherwise paid in cash or settled through noncash means. For leave that has been used, a liability should be recognized when leave has been used for time off but has not been paid in cash or settled through noncash means.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes that were received as of June 30, 2025, but which were levied to finance subsequent fiscal years operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

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

Net Position:

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Fund Balance Reserves:

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

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2025, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2025, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents (A-1)
Checking	<u>\$ 2,222,691</u> <u>\$ 2,222,691</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was \$2,222,691 and the bank balance was \$3,232,118. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$2,982,118 was covered by collateral pool.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2: CASH AND CASH EQUIVALENTS - (Continued)

Investments:

Pursuant to the Enabling Act, the funds of the district may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the district may approve.

In order to maximize liquidity, the district utilizes the New Jersey Cash Management Fund ("NJCMF") as its sole investments. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty.

At June 30, 2025, the district's balance was - \$ 61,849

Custodial Credit Risk: Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk disclosure. The district does not have a policy for custodial credit risk.

Credit Risk: The district does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

Interest Rate Risk: The district does not have a policy to limit interest rate risk. The average maturity of the district's investments is less than one year.

NOTE 3: RECEIVABLES

Receivables at June 30, 2025, consisted of intergovernmental accounts. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Government-Wide Financial <u>Statements</u>
State Aid	\$ 219,753	\$ 220,338
Federal Aid	-	12,209
Local	-	-
Gross Receivable	<u>\$ 219,753</u>	<u>\$ 232,547</u>
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	<u><u>\$ 219,753</u></u>	<u><u>\$ 232,547</u></u>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Governmental Activities:				
<i>Capital Assets Being Depreciated:</i>				
Land	\$ 45,148			\$ 45,148
Site Improvements	242,906			242,906
Buildings and Building Improvements	6,129,969	\$ 3,118,027		9,247,996
Machinery and Equipment	1,162,234	-		1,162,234
Total at Historical Cost	7,580,257	3,118,027	-	10,698,284
Less Accumulated Depreciation for:				
Site Improvements	(142,538)	(7,371)		(149,909)
Building and Improvements	(3,255,063)	(837,735)		(4,092,798)
Equipment	(615,436)	(105,725)		(721,161)
Total Accumulated Depreciation	(4,013,037)	(950,831)		(4,963,868)
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	3,567,220	2,167,196		5,734,416
Government Activity Capital Assets, Net	\$ 3,567,220	\$ 2,167,196		\$ 5,734,416

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 630,401
Special Education	66,558
Student Related Services	88,427
School & General Administration	46,591
Plant and Operations	118,854
Total	<u>\$ 950,831</u>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 5: LONG-TERM OBLIGATIONS

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

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2025, are as follows:

	Balance <u>7/1/2024</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/2025</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Compensated Absences Payable	\$ 51,422		\$ (11,228)	\$ 40,194	
Total Other Liabilities	<u>\$ 51,422</u>		<u>\$ (11,228)</u>	<u>\$ 40,194</u>	<u>-</u>

Compensated absences have been liquidated in the General Fund.

The district had no bonds outstanding as of June, 30, 2025.

The district had no bonds authorized but not issued as of June, 30, 2025.

The district had no capital lease liabilities as of June, 30, 2025.

NOTE 6: DEFERRED COMPENSATION

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

AXA Equitable Financial
Lincoln Life Financial

NOTE 7: COMPENSATED ABSENCES

The District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No.101 (GASB 101), "Compensated Absences". Examples of compensated absences are paid time off, sick leave, holidays, parental leave, military leave, jury duty, bereavement, sabbatical, and floating holidays.

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2025, no liability existed for compensated absences in the proprietary fund types.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS

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

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$11,091,310 as measured on June 30, 2024 and \$11,185,350 measured on June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of (\$40,459) and revenue of (\$42,362) for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2025 is based upon changes in the collective net pension liability with a measurement period of June 30, 2023 through June 30, 2024. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2023 and June 30, 2024.

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

	<u>6/30/2024</u>	<u>6/30/2025</u>
Collective deferred outflows of resources	\$2,498,730,891	\$1,176,934,477
Collective deferred inflows of resources	\$14,719,080,314	\$10,530,833,639
Collective net pension liability (Nonemployer-State of New Jersey)	\$51,032,669,551	\$49,425,106,602
State's portion of the net pension liability that was associated with the district	\$11,182,350	\$11,091,310
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.021912%	0.022441%

Actuarial assumptions - The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-US devel.markets equity	12.75%	8.85%
International Small Cap Equit	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yeild	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk mitigation	3.00%	7.10%

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

Sensitivity of the State's net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2024, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Current</u>	
<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>

State's Collective Net Pension Liability	\$ 58,828,334,396	\$ 49,492,072,325	\$ 41,629,174,739
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Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>. The plan fudiciary net position as of June 30, 2024 was \$30,316,295,787.

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

	<u>Year Ended June 30:</u>
2025	(\$3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	<u>(34,177,408)</u>
Total	<u>(\$9,436,989,313)</u>

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2024 are as follows:

Service cost	\$1,395,143,002
Interest on total pension liability	5,402,862,412
Member contributions	(968,116,740)
Administrative expense	23,998,868
Expected investment return net of investment expenses	(1,880,215,821)
Pension expense related to specific liabilities of individual employers	(521,718)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	163,003,839
Changes in assumptions	(4,175,839,758)
Difference between projected and actual investment earnings on pension plan investments	<u>(140,853,575)</u>
Total pension expense	<u>(\$180,539,491)</u>

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

Summary of Significant Accounting Policies - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

At June 30, 2025, the District reported a liability of \$1,709,639 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2024. The total pension liability for the June 30, 2022 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2024 and 2023. At June 30, 2024, the District's proportion was 0.0126% which was an decrease of 0.0005% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of \$358,884. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 34,247	\$ 4,552
Changes of assumptions	2,124	19,452
Net difference between projected and actual earnings on pension plan investments	-	79,271
Changes in proportion and differences between District contributions and proportionate share of contributions	725,421	95,071
District contributions subsequent to the measurement date	171,207	
Total	<u>\$ 932,999</u>	<u>\$ 198,346</u>

\$171,207 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2025, the plan measurement date is June 30, 2024) will be recognized as a reduction of the net pension liability measured as of June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2025	\$611,347
2026	(473,042)
2027	272,151
2028	157,079
2029	(4,089)
Total	<u>\$563,446</u>

	<u>6/30/2024</u>	<u>6/30/2025</u>
Collective deferred outflows of resources	\$1,080,204,730	\$289,074,215
Collective deferred inflows of resources	1,780,216,457	820,816,333
Collective net pension liability	\$14,484,374,047	\$13,588,045,796
District's portion of net pension liability	\$1,899,110	\$1,709,639
District's proportion %	0.01311144%	0.01258193%

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

Actuarial assumptions - The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75%-6.55% based on years of service
Investment Rate of Return:	7.00%

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-US devel.markets equity	12.75%	8.85%
International Small Cap Equit	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yeld	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk mitigation	3.00%	7.10%

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

Discount rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2024, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 2,271,690	\$1,709,639	\$ 1,231,337

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2024 are as follows:

Service cost	\$795,971
Interest on total Pension liability	2,973,174
Member contributions	(651,888)
Administrative expense	23,023
Other - Chapter 19 Adjustment	(23,968)
Expected investment return net of investment expenses	(1,796,013)
Pension expense related to specific liabilities of individual employers	(22,917)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	90,581
Changes in assumptions	(726,625)
Difference between projected and actual investment earnings on pension plan investments	<u>(302,454)</u>
Total pension expense	<u>\$358,884</u>

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

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

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

PERS and TPAF Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

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

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

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

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

During the fiscal year ended June 30, 2025, the State of New Jersey did contribute \$1,456,306 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$226,755 during the year ended June 30, 2025, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 9: POST-RETIREMENT BENEFITS

Plan description and benefits provided

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

Total Nonemployer OPEB Liability

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

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

Actuarial assumptions and other imputes. The June 30, 2025 GASB 75 reporting is based on a measurement date of June 30, 2024. The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS and PFRS. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability: \$ 59,650,630,530

	TPAF/ABP	PERS	PFRS
Salary Increases	2.75% to 5.65%	2.75% to 6.55%	3.25% to 16.25%

Based on service years

(a) Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

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

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

	<u>Total OPEB Liability</u>
The State's Total OPEB Liability Balance at 6/30/2023	\$52,361,668,239
<u>Changes for the year:</u>	
Service Cost	2,152,062,729
Interest on the Total OPEB Liability	1,963,557,443
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	158,934,425
Changes of Assumptions	4,462,660,491
Gross Benefit Payments	(1,499,600,607)
Contributions from Members/Employers	<u>51,347,810</u>
Net changes	<u>7,288,962,291</u>
The State's Total OPEB Liability Balance at 6/30/2024	<u>\$59,650,630,530</u>

The State's total OPEB liability attributable to the District: \$14,009,100

Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024 and other changes.

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

	June 30, 2024		
	At 1% Decrease <u>2.93%</u>	At Discount Rate <u>3.93%</u>	At 1% Increase <u>4.93%</u>
Total OPEB Liability (School Retirees)	\$69,863,663,542	\$59,650,630,530	\$51,437,232,141

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

	June 30, 2023		
	At 1% Decrease	At Discount Rate	At 1% Increase
	<u>2.65%</u>	<u>3.65%</u>	<u>4.65%</u>
Total OPEB Liability (School Retirees)	\$61,385,066,712	\$52,361,668,239	\$45,116,926,835

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

	June 30, 2024		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	\$49,689,409,509	\$59,650,630,530	\$72,625,778,279

	June 30, 2023		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	\$43,468,257,358	\$52,361,668,239	\$63,998,719,320

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

For the year ended June 30, 2024, the board of education recognized OPEB expense and related revenue of \$501,096 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Differences Between Expected and Actual Experience	\$6,378,932,312	\$11,139,706,892
Changes of assumptions or other inputs	<u>10,004,978,073</u>	<u>11,662,607,882</u>
Total	<u>\$16,383,910,385</u>	<u>\$22,802,314,774</u>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

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

Year ended June 30:

2025	(\$2,115,877,507)
2026	(\$1,774,175,666)
2027	(\$842,677,045)
2028	\$221,470,185
2029	(1,537,725,697)
Thereafter	<u>(369,418,659)</u>
	<u>(\$6,418,404,389)</u>

NOTE 10: CONTINGENT LIABILITIES

GRANT PROGRAMS

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

LITIGATION

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

NOTE 11: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$1,059,368 General Fund fund balance at June 30, 2025, \$15,436 is reserved for encumbrances; \$344,953 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7, as amended (\$344,953 of the excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2026), \$153,284 has been reserved in the Capital Reserve Account; \$222,212 has been reserved in the Maintenance Reserve Account; \$61,794 has been reserved in the Impact Aid Reserve Account; \$112,052 is reserved for subsequent year's expenditures has been anticipated as revenue for the year ended June 30, 2026; and, \$149,637 is unreserved and undesignated.

NOTE 12: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Montague Board of Education by inclusion in the FY 2000-2001 budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12: CAPITAL RESERVE ACCOUNT-(Continued)

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$ 1,601,897
Deposits (PL 2007 c.62 (A1)-Board Resolution June 11, 2025	245,447
Budgeted Withdrawal (to Capital Projects Fund)	(1,694,060)
Ending Balance, June 30, 2025	<u>\$ 153,284</u>

NOTE 13: MAINTENANCE RESERVE ACCOUNT

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

The activity of the emergency reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance July 1, 2024	\$ 2,222,012
Ending balance June 30, 2025	<u>\$ 2,222,012</u>

NOTE 14: IMPACT AID RESERVE ACCOUNT

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

The activity of the Impact Aid Reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance July 1, 2024	\$ 361,794
Budgeted Withdrawal (to Capital Projects Fund)	(300,000)
Ending balance June 30, 2025	<u>\$ 61,794</u>

NOTE 15: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 is zero.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 16: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2025:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 21,142	\$ 98,076
Special Revenue Fund	56,720	20
Capital Project Fund	41,376	-
Enterprise Fund	-	21,142
Total	<u>\$ 119,238</u>	<u>\$ 119,238</u>

The general fund owes the special revenue fund for payment of general fund expenditures in the special revenue fund, and the capital projects fund for final capital reserve cash transfer for the preschool classroom addition. The enterprise fund owes the general fund for cash advances to sustain cash flow in the food service operation.

NOTE 17: DEFICIT FUND BALANCES

The District has a deficit fund balance (Exhibit B-1) of \$83,668 in the Special Revenue Fund as of June 30, 2025, as reported in the fund statements (modified accrual basis). P.L.2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No.33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

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

NOTE 18: TAX ABATEMENTS

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 6,966,795		\$ 6,966,795	\$ 6,966,795	-
Miscellaneous	160,500		160,500	215,350	\$ 54,850
Total - Local Sources	7,127,295		7,127,295	7,182,145	54,850
State Sources:					
Equalization Aid	1,440,477		1,440,477	1,440,477	
Transportation Aid	326,614		326,614	326,614	
Special Education Aid	342,492		342,492	342,492	
Security Aid	100,706		100,706	100,706	
Other State Aid	95,886		95,886	207,867	111,981
TPAF Pension (On-Behalf - Non-Budgeted)				1,126,236	1,126,236
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				329,087	329,087
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				983	983
TPAF Social Security (Reimbursed - Non-Budgeted)				226,755	226,755
Total State Sources	2,306,175		2,306,175	4,101,217	1,795,042
Federal Sources:					
Impact Aid	165,599		165,599	173,002	7,403
Total Federal Sources	165,599		165,599	173,002	7,403
TOTAL REVENUES	9,599,069		9,599,069	11,456,364	1,857,295

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	206,630	(20,600)	186,030	186,030	-
Grades 1-5 - Salaries of Teachers	871,150	70,765	941,915	941,915	-
Grades 6-8 - Salaries of Teachers	444,820	59,493	504,313	504,313	-
Regular Programs - Home Instruction:					
Purchased Professional-Educational Services	11,000	1,600	12,600	12,600	-
Regular Programs - Undistributed Instruction					
Salaries- District Substitutes	-	1,553	1,553	1,553	-
Other Salaries for Instruction	69,125	(31,697)	37,428	37,428	-
Unused Sick/Vacation Payment to Terminated/Retired Staff	15,000	(15,000)	-	-	-
Purchased Technical Services	39,880	(6,014)	33,866	33,428	438
General Supplies	32,837	(201)	32,636	32,500	136
Textbooks	10,000	(8,284)	1,716	1,716	-
Other Objects	10,000	8,289	18,289	18,289	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,710,442	59,904	1,770,346	1,769,772	574
SPECIAL EDUCATION - INSTRUCTION					
Resource Room:					
Salaries of Teachers	383,000	(41,128)	341,872	341,872	-
General Supplies	1,000	4,660	5,660	5,660	-
Total Resource Room	384,000	(36,468)	347,532	347,532	-
TOTAL SPECIAL EDUCATION - INSTRUCTION	384,000	(36,468)	347,532	347,532	-

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	167,000	1,035	168,035	168,035	-
Total Basic Skills/Remedial - Instruction	167,000	1,035	168,035	168,035	-
Other Instructional Programs - Instruction:					
Salaries	18,000	19,000	37,000	37,000	-
Purchased Services (Series 300-500)	4,200	(3,060)	1,140	1,140	-
General Supplies	2,520	(1,054)	1,466	1,466	-
Total Other Instructional Programs - Instruction	24,720	14,886	39,606	39,606	-
Athletic Programs- Instruction					
Purchased Services (Series 300-500)	-	9,763	9,763	9,763	-
General Supplies	1,000	(83)	917	917	-
Other Objects	22,000	2,000	24,000	24,000	-
Athletic Programs - Instruction	23,000	11,680	34,680	34,680	-
TOTAL INSTRUCTION	2,309,162	51,037	2,360,199	2,359,625	574
UNDISTRIBUTED EXPENDITURES					
Instruction:					
Tuition to Other LEAs Within the State - Regular	1,139,481	107,824	1,247,305	1,247,305	-
Tuition to Other LEAs Within the Stat - Special	705,584	(50,836)	654,748	654,748	-
Tuition to County Voc. District - Regular	98,000	18,188	116,188	116,188	-
Tuition to Day School - Regular	11,200	(11,200)	-	-	-
Tuition to Private Schools for the Disabled - Within State	234,381	(79,043)	155,338	155,338	-
Total Instruction	2,188,646	(15,067)	2,173,579	2,173,579	-
Attendance and Social Work:					
Salaries	21,420	1,080	22,500	22,500	-
Total Attendance and Social Work	21,420	1,080	22,500	22,500	-
Health Services:					
Salaries	60,800	2,880	63,680	63,680	-
Purchased Professional and Technical Services	500	(500)	-	-	-
Other Purchased Services (400-500 Series)	11,000	(2,055)	8,945	8,945	-
Supplies and Materials	7,000	1,747	8,747	8,747	-
Other Objects	-	104	104	104	-
Total Health Services	79,300	2,176	81,476	81,476	-

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Supp. Services Students-Related Services:					
Salaries	80,000	(38,375)	41,625	41,625	-
Purchased Professional - Educational Services	12,000	54,130	66,130	66,130	-
Supplies and Materials	1,000	(1,000)	-	-	-
Total Other Supp. Services Students-Related Services	93,000	14,755	107,755	107,755	-
Salaries	203,000	24,996	227,996	227,996	-
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	203,000	24,996	227,996	227,996	-
Guidance:					
Salaries of Other Professional Staff	118,000	18,140	136,140	136,140	-
Salaries of Secretarial and Clerical Assistants	14,175	-	14,175	14,175	-
General Supplies	500	(228)	272	272	-
Total Guidance	132,675	17,912	150,587	150,587	-
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	232,333	78,231	310,564	310,564	-
Salaries of Secretarial and Clerical Assistants	14,175	-	14,175	14,175	-
Salaries Other	83,000	(10,325)	72,675	72,675	-
Purchased Professional - Educational Services	127,220	(57,070)	70,150	70,150	-
Other Purchased Services	2,500	(2,238)	262	262	-
Other Purchased Services (400-500 Series)	7,950	(7,737)	213	213	-
Supplies and Materials	1,250	1,402	2,652	2,652	-
Total Other Supp. Services Students-Special	468,428	2,263	470,691	470,691	-
Improvement of Instruction Services:					
Salaries of Secretarial and Clerical Assistants	8,568	432	9,000	9,000	-
Purchased Professional - Educational Services	1,000	(1,000)	-	-	-
Other Purchased Prof. and Tech. Svcs.	500	(241)	259	259	-
Other Purchased Prof. Svcs (400-500 Series)	1,000	(1,000)	-	-	-
Supplies and Materials	1,500	(1,500)	-	-	-
Total Improvement of Instruction Services	12,568	(3,309)	9,259	9,259	-

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Educational Media Services/School Library:					
Salaries	58,400	3,948	62,348	62,348	-
Salaries of Technology Coordinators	35,643	16,546	52,189	52,189	-
Purchased Professional and Technical Services	1,000	(261)	739	739	-
Supplies and Materials	500	-	500	500	-
Total Educational Media Services/School Library	95,543	20,233	115,776	115,776	-
Instructional Staff Training Services:					
Other Purchased Professional and Technical Services	6,000	2,899	8,899	8,899	-
Other Purchased Services (400-500 series)	2,500	(2,377)	123	123	-
Total Instructional Staff Training Services	8,500	522	9,022	9,022	-
Supp. Services - General Administration:					
Salaries	124,472	5,928	130,400	130,400	-
Purchased Professional - Educational Services	-	500	500	500	-
Legal Services	21,000	11,248	32,248	27,899	4,349
Audit Fees	32,500	(1,709)	30,791	30,791	-
Other Purchased Professional Services	4,800	(4,800)	-	-	-
Communications/Telephone	29,000	5,149	34,149	34,149	-
BOE Other Purchased Services	900	(900)	-	-	-
Other Purchased Services (400-500)	4,850	(1,024)	3,826	3,272	554
General Supplies	1,000	(243)	757	757	-
Miscellaneous Expenses	7,000	4,125	11,125	10,825	300
BOE Membership Dues and Fees	5,000	2,038	7,038	7,038	-
Total Supp. Services - General Administration	230,522	20,312	250,834	245,631	5,203
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	64,555	(755)	63,800	63,800	-
Salaries of Secretarial and Clerical Assistants	14,952	648	15,600	15,600	-
Other Employee Benefits	3,000	(1,160)	1,840	1,840	-
Supplies and Materials	250	3,427	3,677	3,677	-
Total Support Services - School Administration	82,757	2,160	84,917	84,917	-

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Central Services:					
Salaries	183,500	(15,357)	168,143	168,143	-
Purchased Professional Services	2,500	(978)	1,522	1,522	-
Purchased Technical Services	2,100	(2,100)	-	-	-
Other Purchased Services (400-500)	5,000	3,511	8,511	8,511	-
Supplies and Materials	4,500	(215)	4,285	4,285	-
Other Objects	2,000	(820)	1,180	1,180	-
Total Central Services	199,600	(15,959)	183,641	183,641	-
Admin Info Tech.:					
Salaries	68,556	711	69,267	69,267	-
Purchased Professional Services	5,000	1,200	6,200	6,200	-
Purchased Technical Services	46,500	(1,253)	45,247	45,247	-
Other Purchased Services (400-500 Series)	1,000	(1,000)	-	-	-
Supplies and Materials	500	1,172	1,672	1,672	-
Other Objects	2,000	(2,000)	-	-	-
Total Admin. Info. Tech.	123,556	(1,170)	122,386	122,386	-
Required Maintenance for School Facilities:					
Salaries	165,017	(776)	164,241	164,241	-
Cleaning, Repair and Maintenance Services	99,500	8,827	108,327	93,562	14,765
Lead Testing of Drinking Water	1,200	(106)	1,094	1,094	-
Supplies and Materials	10,000	9,855	19,855	19,855	-
Other Objects	1,200	(506)	694	694	-
Total Required Maintenance for School Facilities	276,917	17,294	294,211	279,446	14,765
Other Operations and Maintenance of Plant:					
Salaries	93,600	19,751	113,351	113,351	-
Employee Benefits	3,000	(1,431)	1,569	1,569	-
Purchased Professional and Technical Services	25,250	(17,874)	7,376	7,376	-
Cleaning, Repair and Maintenance Services	20,250	4,241	24,491	24,491	-
Other Purchased Property Services	24,250	(734)	23,516	23,355	161
Insurance	54,000	(14,597)	39,403	39,403	-
Miscellaneous Purchased Services	5,000	(2,740)	2,260	2,260	-
General Supplies	36,500	(5,914)	30,586	30,572	14
Energy (Natural Gas)	64,500	(7,365)	57,135	57,135	-
Energy (Electricity)	45,000	13,347	58,347	58,347	-
Total Other Operations and Maintenance of Plant	371,350	(13,316)	358,034	357,859	175

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	7,500	2,134	9,634	9,634	-
Other Objects	-	1,065	1,065	1,065	-
Total Care and Upkeep of Grounds	7,500	3,199	10,699	10,699	-
Security:					
Salaries	33,293	8,043	41,336	41,336	-
Cleaning, Repair and Maintenance Services	18,000	(16,780)	1,220	1,220	-
General Supplies	2,000	(827)	1,173	1,173	-
Total Security	53,293	(9,564)	43,729	43,729	-
Student Transportation Services					
Sal. For Pup.Trans. (Bet. Home and School) - Regular	286,240	18,763	305,003	305,003	-
Sal. For Pup.Trans. (Bet. Home and School) - Special	34,575	(10,095)	24,480	24,480	-
Management Fees - Transportation	12,500	1,747	14,247	14,247	-
Other Purchased Prof. and Tech. Svcs.	500	4,150	4,650	4,650	-
Cleaning, Repair and Maintenance Services	50,000	110,036	160,036	160,036	-
Rental Payments- School Buses	8,000	21,608	29,608	29,608	-
Contr Serv. - Aid in Lieu Payments - Non-public School	19,500	(8,907)	10,593	10,593	-
Contr Serv. - Aid in Lieu Payments - Choice School	18,500	(9,908)	8,592	8,592	-
Contracted Services (Between Home and School)-Joint Agrmts.	7,000	(7,000)	-	-	-
Contract. Serv.(Sp Ed Stds)-Joint Agrmnts	4,500	(2,206)	2,294	2,294	-
Contracted Services (Spec. Ed. Students)-ESCs & CTSA's	310,000	2,853	312,853	312,853	-
Misc Purchased Services - Transportation	20,000	(4,217)	15,783	15,783	-
General Supplies	10,000	(6,596)	3,404	3,404	-
Transportation Supplies	35,000	(35,000)	-	-	-
Other Objects	4,000	(1,395)	2,605	1,047	1,558
Total Student Transportation Services	820,315	73,833	894,148	892,590	1,558
UNALLOCATED BENEFITS					
Social Security Contributions	108,000	57,957	165,957	165,957	-
Other Retirement Contributions-Regular	168,800	6,678	175,478	175,478	-
Unemployment Compensation	20,000	3,056	23,056	23,056	-
Workmen's Compensation	46,000	5,206	51,206	51,206	-
Health Benefits	1,584,573	(121,572)	1,463,001	1,250,192	212,809
Tuition Reimbursement	12,000	-	12,000	5,111	6,889
TOTAL UNALLOCATED BENEFITS	1,939,373	(48,675)	1,890,698	1,671,000	219,698

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
On-behalf TPAF pension Contrib. (non-budgeted)			-	1,126,236	(1,126,236)
On-behalf TPAF PRM Contrib. (non-budgeted)			-	329,087	(329,087)
On-behalf TPAF pension LTD Ins. (non-budgeted)			-	983	(983)
Reimbursed TPAF Social Security Contrib. (non-budgeted)	-	-	-	226,755	(226,755)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	1,683,061	(1,683,061)
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	1,939,373	(48,675)	1,890,698	3,354,061	(1,463,363)
TOTAL UNDISTRIBUTED EXPENDITURES	7,408,263	93,675	7,501,938	8,943,600	(1,441,662)
TOTAL GENERAL CURRENT EXPENSE	9,717,425	144,712	9,862,137	11,303,225	(1,441,088)
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures - Required Maintenance	-	15,825	15,825	15,825	-
Total Equipment	-	15,825	15,825	15,825	-
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	240,696	240,696	235,195	5,501
Construction Services	1,262,900	(895,829)	367,071	367,071	-
Other Objects	-	10,675	10,675	10,675	-
Debt Service Assessment SDA Funding	993	-	993	993	-
Total Facilities Acquisition and Construction Services	1,263,893	(644,458)	619,435	613,934	5,501
TOTAL CAPITAL OUTLAY	1,263,893	(628,633)	635,260	629,759	5,501
Transfer to Charter School	251,500	(76,326)	175,174	175,174	-
TOTAL EXPENDITURES	11,232,818	(560,247)	10,672,571	12,108,158	(1,435,587)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(1,633,749)	560,247	(1,073,502)	(651,794)	421,708

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Financing Sources:					
Operating Transfer In/(Out):					
Transfer to Food Service Fund	-	(40,000)	(40,000)	(40,000)	-
Transfer to Special Revenue Fund - Preschool	(68,737)	-	(68,737)	(68,737)	-
Transfer to Capital Projects Fund		(1,994,060)	(1,994,060)	(1,994,060)	-
Total Other Financing Sources:	(68,737)	(2,034,060)	(2,102,797)	(2,102,797)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,702,486)	(1,473,813)	(3,176,299)	(2,754,591)	421,708
Fund Balance, July 1	4,026,859		4,026,859	4,026,859	-
Prior Period Adjustment					
Fund Balance, July 1 (Restated)	4,026,859		4,026,859	4,026,859	
Fund Balance, June 30	<u>\$ 2,324,373</u>	<u>\$ (1,473,813)</u>	<u>\$ 850,560</u>	<u>\$ 1,272,268</u>	<u>\$ 421,708</u>
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 153,284	
Maintenance Reserve				222,212	
Impact Aid Reserve				61,794	
Excess Surplus - Designated for Subsequent Year's Expenditures				344,953	
Assigned to:					
Designated for Subsequent Year's Expenditures				112,052	
Year-End Encumbrances				15,436	
Unassigned:					
Unrestricted Fund Balance				<u>362,537</u>	
Fund Balance per Governmental Funds(Budgetary Basis)				<u>\$ 1,272,268</u>	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Current Year Last State Aid Payment not recognized on GAAP basis until received				<u>(212,900)</u>	
Fund Balance per Governmental Funds(GAAP Basis)				<u>\$ 1,059,368</u>	

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources		\$ 10,072	\$ 10,072	\$ 7,965	\$ (2,107)
State Sources	\$ 1,141,601	17,615	1,159,216	1,086,278	(72,938)
Federal Sources	240,476	110,365	350,841	316,301	(34,540)
Total Revenues	1,382,077	138,052	1,520,129	1,410,544	(109,585)
EXPENDITURES:					
Instruction					
Salaries of Teachers	278,028	17,784	295,812	295,812	
Other Salaries for Instruction	170,438	(401)	170,037	170,037	
Other Purchased Services	105,000	12,906	117,906	117,906	
Tuition	114,480	-	114,480	113,484	996
General Supplies	33,318	64,211	97,529	61,878	35,651
Other Objects	7,525	(4,356)	3,169	3,169	
Total Instruction	708,789	90,144	798,933	762,286	36,647
Support Services					
Salaries of Supervisors of Instruction	-	-	-	-	-
Salaries of Program Directors	50,390	(1,890)	48,500	48,500	-
Salaries of Other Professional Staff	22,100	200	22,300	22,300	-
Salaries of Secr. And Clerical Assistants	24,918	332	25,250	25,250	-
Other Salaries	82,260	25,669	107,929	107,929	-
Salaries of Community Parent Involvement Spec.	7,300	-	7,300	7,300	-
Salaries of Master Teachers	65,700	-	65,700	65,700	-
Personal Services - Employee Benefits	269,276	72,937	342,213	269,276	72,937
Purchased Prof. -Ed. Services	25,000	(7,538)	17,462	17,462	-
Purchased Ed Services - Head Start	-	-	-	-	-
Purchased Prof. Tech Svcs.	-	-	-	-	-
Cleaning, Repair & Maintenance Svcs.	42,087	(24,744)	17,343	17,343	-
Rentals	-	-	-	-	-
Contr Serv-Trans. (Bet. Home & School)	-	-	-	-	-
Contr Serv-Trans. (Field Trips)	5,000	(3,114)	1,886	1,885	1
Travel	2,000	(2,000)	-	-	-
Other Purchased Services	-	-	-	-	-
Supplies & Materials	53,218	2,879	56,097	56,097	-
Other Objects	-	-	-	-	-
Scholarships	-	150	150	150	-
Student Activities	-	4,651	4,651	4,651	-
Total Support Services	649,249	67,532	716,781	643,843	72,938
Facilities Acq. & Construction Services:					
Buildings	-	4,830	4,830	4,830	-
Instructional Equipment	32,562	(7,538)	25,024	25,024	-
Non-Instructional Equipment	60,214	(17,588)	42,626	42,626	-
Total Facilities Acq. & Construction Services	92,776	(20,296)	72,480	72,480	-
Total Expenditures	1,450,814	137,380	1,588,194	1,478,609	109,585
Total Outflows	\$ 1,450,814	\$ 137,380	\$ 1,588,194	\$ 1,478,609	\$ 109,585
Other Financing Sources (Uses):					
Transfers from Other Funds	68,737		68,737	68,737	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)		672	672	672	
Fund Balance Beginning				6,497	
Fund Balance Ending				\$ 7,169	
Recapitulation:					
Restricted:					
Scholarships				\$ 421	
Student Activities				6,748	
Fund Balance per Governmental Funds(Budgetary Basis)				\$ 7,169	
Reconciliation to Governmental Funds Statement (GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				(90,837)	
Fund Balance per Governmental Funds (GAAP Basis)				\$ (83,668)	

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE**

For the Fiscal Year Ended June 30, 2025

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 11,456,364	\$ 1,410,544
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	N/A	218,981
Current Year	N/A	(103,289)
 Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	 206,107	 81,486
 Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	 <u>(212,900)</u>	 <u>(90,837)</u>
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	 <u>\$ 11,449,571</u>	 <u>\$ 1,516,885</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 12,108,158	\$ 1,478,609
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	N/A	218,981
Current Year	N/A	(103,289)
 Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	 N/A	 N/A
Net transfers (outflows) to general fund	<u>N/A</u>	<u>N/A</u>
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	 <u>\$ 12,108,158</u>	 <u>\$ 1,594,301</u>

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

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 11,091,310	\$ 11,182,350	\$ 10,819,113	\$ 10,191,089	\$ 13,469,004	\$ 12,379,938	\$ 14,381,889	\$ 15,525,075	\$ 19,695,671	\$ 15,547,829
Total	\$ 11,091,310	\$ 11,182,350	\$ 10,819,113	\$ 10,191,089	\$ 13,469,004	\$ 12,379,938	\$ 14,381,889	\$ 15,525,075	\$ 19,695,671	\$ 15,547,829
District's covered employee payroll	\$ 3,051,333	\$ 3,085,800	\$ 2,875,834	\$ 2,344,738	\$ 2,210,348	\$ 2,105,058	\$ 2,357,053	\$ 2,246,299	\$ 2,402,629	\$ 2,531,867
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

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

Exhibit L-1

Public Employees' Retirement System (PERS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.01258%	0.01311%	0.00742%	0.00570%	0.00634%	0.00373%	0.00382%	0.00508%	0.00653%	0.00631%
District's proportionate share of the net pension liability (asset)	\$ 1,709,639	\$ 1,899,110	\$ 1,119,663	\$ 675,811	\$ 1,033,808	\$ 672,165	\$ 753,076	\$ 1,183,629	\$ 1,935,046	\$ 1,415,814
District's covered employee payroll	\$ 1,287,236	\$ 1,168,496	\$ 892,627	\$ 489,963	\$ 404,016	\$ 391,536	\$ 244,698	\$ 274,429	\$ 358,746	\$ 432,817
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	132.81%	162.53%	125.43%	137.93%	255.88%	171.67%	307.76%	431.31%	539.39%	327.12%
Plan fiduciary net position as a percentage of the total pension liability (Local)	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%

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

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 3,051,333	\$ 3,085,800	\$ 2,875,834	\$ 2,606,029	\$ 2,344,738	\$ 2,210,348	\$ 2,105,058	\$ 2,357,053	\$ 2,246,299	\$ 2,402,629
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Public Employees' Retirement System (PERS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 171,207	\$ 175,238	\$ 93,560	\$ 67,136	\$ 69,351	\$ 37,388	\$ 38,318	\$ 47,842	\$ 58,390	\$ 54,224
Contributions in relation to the contractually required contribution	(171,207)	(175,238)	(93,560)	(67,136)	(69,351)	(37,388)	(38,318)	(47,842)	(58,390)	(54,224)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	\$ 1,287,236	\$ 1,168,496	\$ 892,627	\$ 735,542	\$ 489,963	\$ 404,016	\$ 391,536	\$ 244,698	\$ 274,429	\$ 358,746
Contributions as a percentage of covered-employee payroll	13.30%	15.00%	10.48%	9.13%	14.15%	9.25%	9.79%	19.55%	21.28%	15.11%

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

Exhibit M-1

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

The State of New Jersey's Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Service Cost	\$ 2,152,062,729	\$ 2,136,235,476	\$ 2,770,618,025	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319	
Interest	1,963,557,443	1,844,113,951	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792	
Change in Benefit Terms	-	-	-	(63,870,842)						
Differences Between Expected and Actual Experience	158,934,425	(980,424,863)	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	(5,002,065,740)			
Benefit Payments	(1,499,600,607)	-	(13,586,368,097)	59,202,305	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)	
Contributions from Members	51,347,810	(1,390,258,754)	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747	
Changes of Assumptions or other inputs	4,462,660,491	105,539,463	42,650,252	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521	
Net change in total OPEB liability	7,288,962,291	1,715,205,273	(9,361,188,004)	(7,802,311,438)	26,080,881,563	(4,381,751,937)	(7,529,008,876)	(4,191,942,326)	10,982,132,360	
Total OPEB Liability - Beginning	\$ 52,361,668,239	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	\$ 46,849,651,824	
Total OPEB Liability - Ending	\$ 59,650,630,530	\$ 52,361,668,239	\$ 50,646,462,966	\$ 60,007,651,170	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	
The State of New Jersey's total OPEB liability **	\$ 59,650,630,530	\$ 52,361,668,239	\$ 50,646,462,966	\$ 60,007,651,170	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	
The State of New Jersey's OPEB liability attributable to the District **	\$ 14,009,100	\$ 12,277,128	\$ 10,703,989	\$ 12,744,115	\$ 15,251,920	\$ 10,120,597	\$ 11,481,516	\$ 12,938,784	\$ 14,027,673	
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	
District's covered employee payroll	\$ 4,338,569	\$ 4,254,296	\$ 3,768,461	\$ 3,341,571	\$ 2,834,701	\$ 2,614,364	\$ 2,496,594	\$ 2,601,751	\$ 2,520,728	
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
District's contribution	None	None	None	None	None	None	None	None	None	
State's covered employee payroll ***	\$ 15,845,935,573	\$ 15,314,749,297	\$ 14,753,355,408	\$ 14,425,669,769	\$ 14,267,738,657	\$ 13,929,083,479	\$ 13,640,275,833	\$ 13,493,400,208	\$ 13,493,400,208	
Total State's OPEB liability as a percentage of its covered-employee payroll	376.44%	341.90%	343.29%	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%	

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

*** Covered payroll for the Measurement Period ending June 30, 2023 and June 30, 2024 is based on the payroll on the June 30, 2022 and June 30, 2023 census data, respectively

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

MONTAGUE SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
Pension and Other Post Employment Benefits (OPEB) Schedules

For the Fiscal Year Ended June 30, 2025

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

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

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

OPEB Schedules

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

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

Public Employees' Retirement System (PERS)

Pension Schedules

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

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

OPEB Schedules

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

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

OTHER SUPPLEMENTARY INFORMATION
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SPECIAL REVENUE FUND DETAIL STATEMENTS

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

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

For the Fiscal Year Ended June 30, 2025

Page 1 of 2

	Title I	Title II	Title IV	IDEA Basic	IDEA Preschool	ARP ESSER III	CRRSA ESSER II	ARP Accel Learn
REVENUES								
Local Sources								
State Sources								
Federal Sources	\$ 114,003	\$ 12,918	\$ 10,000	\$ 113,484	\$ 4,747	\$ 43,670	\$ 4,830	\$ 3,750
TOTAL REVENUES	114,003	12,918	10,000	113,484	4,747	43,670	4,830	3,750
EXPENDITURES:								
Instruction:								
Salaries of Teachers						14,958		3,750
Other Salaries for Instruction								
Other Purchased Services	114,003							
Tuition				113,484				
General Supplies			10,000		4,747			
Other Objects								
Total Instruction	114,003		10,000	113,484	4,747	14,958		3,750
Support Services:								
Salaries of Program Directors								
Salaries of Other Professional Staff								
Salaries of Secr. And Clerical Assistants								
Other Salaries						26,626		
Salaries of Comm. Parent Involv.								
Salaries of Master Teachers								
Personal Services - Employee Benefits								
Purchased Prof. -Ed. Services		12,918						
Cleaning, Repair & Maintenance Svcs.						2,086		
Contr Serv-Trans. (Field Trips)								
Supplies & Materials								
Scholarships								
Student Activities								
Total Support Services		12,918				28,712		
Facilities Acq. & Construction Services:								
Buildings							4,830	
Instructional Equipment								
Non-Instructional Equipment								
Total Facilities Acq. & Construction Services	-	-	-	-	-	-	4,830	-
TOTAL EXPENDITURES	114,003	12,918	10,000	113,484	4,747	43,670	4,830	3,750
Total Outflows	\$ 114,003	\$ 12,918	\$ 10,000	\$ 113,484	\$ 4,747	\$ 43,670	\$ 4,830	\$ 3,750
Other Financing Sources (Uses):								
Transfers from Other Funds								
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Fund Balance Beginning	-	-		-	-	-	-	-
Fund Balance Ending	-	-		-	-	-	-	-

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

For the Fiscal Year Ended June 30, 2025

Page 2 of 2

	ARP Summer	ARP Mental	Preschool Education State Aid	Local HEAR Grant	Local Safety Grant	Dureler Scholarship	Student Activity	Totals
REVENUES								
Local Sources				\$ 492	\$ 2,000	\$ 24	\$ 5,449	\$ 7,965
State Sources			\$ 1,086,278					1,086,278
Federal Sources	\$ 7,845	\$ 1,054						316,301
TOTAL REVENUES	7,845	1,054	1,086,278	492	2,000	24	5,449	1,410,544
EXPENDITURES:								
Instruction:								
Salaries of Teachers	4,676		272,428					295,812
Other Salaries for Instruction			170,037					170,037
Other Purchased Services			3,903					117,906
Tuition								113,484
General Supplies		244	44,395	492	2,000			61,878
Other Objects	3,169							3,169
Total Instruction	7,845	244	490,763	492	2,000			762,286
Support Services:								
Salaries of Program Directors			48,500					48,500
Salaries of Other Professional Staff			22,300					22,300
Salaries of Secr. And Clerical Assistants			25,250					25,250
Other Salaries			81,303					107,929
Salaries of Comm. Parent Involv.			7,300					7,300
Salaries of Master Teachers			65,700					65,700
Personal Services - Employee Benefits			269,276					269,276
Purchased Prof. -Ed. Services			4,544					17,462
Cleaning, Repair & Maintenance Svcs.			15,257					17,343
Contr Serv-Trans. (Field Trips)			1,885					1,885
Supplies & Materials		810	55,287					56,097
Scholarships						150		150
Student Activities							4,651	4,651
Total Support Services		810	596,602			150	4,651	643,843
Facilities Acq. & Contruction Services:								
Buildings								4,830
Instructional Equipment			25,024					25,024
Non-Instructional Equipment			42,626					42,626
Total Facilities Acq. & Contruction Services	-	-	67,650	-	-	-	-	72,480
TOTAL EXPENDITURES	7,845	1,054	1,155,015	492	2,000	150	4,651	1,478,609
Total Outflows	\$ 7,845	\$ 1,054	\$ 1,155,015	\$ 492	\$ 2,000	\$ 150	\$ 4,651	\$ 1,478,609
Other Financing Sources (Uses):								
Transfers from Other Funds			68,737					68,737
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	(126)	798	672
Fund Balance Beginning	-	-	-	-	-	547	5,950	6,497
Fund Balance Ending	-	-	-	-	-	\$ 421	\$ 6,748	\$ 7,169

MONTAGUE TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid Schedule of Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 259,000	\$ 13,428	\$ 272,428	\$ 272,428	-
Other Salaries for Instruction	170,438	(401)	170,037	170,037	-
Other Purchased Services	5,000	(1,097)	3,903	3,903	-
General Supplies	23,074	21,321	44,395	44,395	-
Total instruction	457,512	33,251	490,763	490,763	-
Support services:					
Salaries of Program Directors	50,390	(1,890)	48,500	48,500	-
Salaries of Other Professional Staff	22,100	200	22,300	22,300	-
Salaries of Secr. And Clerical Assistants	24,918	332	25,250	25,250	-
Other Salaries	55,635	25,668	81,303	81,303	-
Salaries of Community Parent Involvement Spec.	7,300	-	7,300	7,300	-
Salaries of Master Teachers	65,700	-	65,700	65,700	-
Personal Services - Employee Benefits	269,276	-	269,276	269,276	-
Purchased Prof. -Ed. Services	10,000	(5,456)	4,544	4,544	-
Cleaning, Repair & Maintenance Svcs.	40,000	(24,743)	15,257	15,257	-
Contr Serv-Trans. (Field Trips)	5,000	(3,114)	1,886	1,885	\$ 1
Travel	2,000	(2,000)	-	-	-
Supplies & Materials	53,131	2,156	55,287	55,287	-
Total support services	605,450	(8,847)	596,603	596,602	1
Facilities Acq. & Construction:					
Instructional Equipment	31,840	(6,816)	25,024	25,024	-
Non-Instructional Equipment	60,214	(17,588)	42,626	42,626	-
Total Facilities Acq. & Construction	92,054	(24,404)	67,650	67,650	-
Total Expenditures	\$ 1,155,016	-	\$ 1,155,016	\$ 1,155,015	\$ 1

CALCULATION OF BUDGET & CARRYOVER

Total 2024-2025 PreK Aid Allocation	\$ 908,364
Add: Actual ECPA Carryover June 30, 2024	250,852
Add: Budgeted Transfer From General Fund	68,737
Total Funds Available for 2024-2025 Budget	1,227,953
Less: 2024-2025 Budgeted PreK & ECPA (Including prior year budgeted carryover)	(1,155,016)
Available & Unbudgeted Funds as of June 30, 2025	72,937
Add: June 30, 2025 Unexpended PreK Aid	1
2024-2025 Actual Carryover - PreK Aid	72,938
2024-2025 PreK Carryover Budgeted in 2025-2026	\$ 188,139

CAPITAL PROJECTS FUND DETAIL STATEMENTS
--

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit F-1

**CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES**

For the Fiscal Year Ended June 30, 2025

	<u>Original</u>		<u>Revised</u>		<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2025</u>
	<u>Date</u>	<u>Appropriations</u>	<u>Date</u>	<u>Appropriations</u>	<u>Prior Years</u>	<u>Current Year</u>	
Preschool Classroom Addition	7/16/24	\$ 3,416,401	N/A	\$ 3,360,620	-	\$ 3,360,620	-
Totals		<u>\$ 3,416,401</u>		<u>\$ 3,360,620</u>	<u>-</u>	<u>\$ 3,360,620</u>	<u>-</u>
					Interest Earnings		-
					Fund Balance, June 30, 2025		<u>-</u>

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2

**CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2025

Revenues and Other Financing

Sources

Transfer from capital reserve	\$1,994,060
New Jersey ROD Grant	1,366,560
Total Revenues	<u>3,360,620</u>

Expenditures and Other Financing

Uses

Construction Services	3,360,620
Total Expenditures	<u>3,360,620</u>

Excess(deficiency) of revenues over(under)
expenditures

-

Fund Balance - Beginning

-

Fund Balance - Ending

-

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2a

CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS-BUDGETARY BASIS
PRESCHOOL CLASSROOM ADDITION

From Inception and for the Fiscal Year Ended June 30, 2025

		<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources					
Transfer from Capital Reserve			\$ 1,994,060	\$ 1,994,060	\$ 1,994,060
New Jersey ROD Grant			1,366,560	1,366,560	1,366,560
Total Revenues		-	3,360,620	3,360,620	3,360,620
Expenditures and Other Financing Sources					
Construction Services			3,360,620	3,360,620	3,360,620
Total Expenditures		-	3,360,620	3,360,620	3,360,620
Excess(deficiency) of revenues over(under) expenditures					
		-	-	-	
Project Fund Balance, 6/30/2025				-	
Additional project information:					
DOE Project Number	3300-050-23-PK1	Recapitulation:			
SDA Project Number	N/A	Encumbrances			
Grant Date	7/16/24	Unreserved (Available)			
Bond Authorization Date	N/A				
Bonds Authorized	N/A				
Bonds Issued	N/A				
Original Authorized Cost	\$3,416,401				
Additional Authorized Cost	-55,781				
Revised Authorized Cost	\$3,360,620				
Percentage Increase over Original					
Authorized Cost	N/A				
Percentage Completion	100%				
Original Target Completion Date	2025				
Revised Target Completion Date	2025				

PROPRIETARY FUND DETAIL STATEMENTS
--

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

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

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

FIDUCIARY FUND DETAIL STATEMENTS

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

N/A

LONG-TERM DEBT SCHEDULES

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

N/A

MONTAGUE TOWNSHIP SCHOOL DISTRICT
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	88-93
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	94-97
Debt Capacity (J-10 thru J-13) 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.	98-101
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	102-103
Operating Information (J-16 thru J-20) 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.	104-108

Sources:

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

MONTAGUE TOWNSHIP SCHOOL DISTRICT

Net Position by Component,

Last Ten Fiscal Years

(accrual basis of accounting)

Exhibit J-1

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Invested in capital assets, net of related debt	\$ 1,641,163	\$ 1,589,327	\$ 1,477,500	\$ 1,731,032	\$ 1,696,173	\$ 2,334,595	\$ 2,776,225	\$ 2,948,870	\$ 3,567,220	\$ 5,734,416
Restricted	217,703	444,003	611,767	519,791	2,268,699	3,774,076	3,821,153	3,747,363	2,970,589	901,464
Unrestricted	(997,862)	(1,084,670)	(1,122,232)	(1,114,653)	(843,721)	(705,758)	(458,348)	(93,494)	(59,523)	(940,944)
Total governmental activities net assets	<u>\$ 861,004</u>	<u>\$ 948,660</u>	<u>\$ 967,035</u>	<u>\$ 1,136,170</u>	<u>\$ 3,121,151</u>	<u>\$ 5,402,913</u>	<u>\$ 6,139,030</u>	<u>\$ 6,602,739</u>	<u>\$ 6,478,286</u>	<u>\$ 5,694,936</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 8,567	\$ 7,720	\$ 6,873	\$ 6,873	\$ 6,873	\$ 5,240	\$ 3,607	\$ 1,974	\$ 341	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	28,288	23,663	25,443	8,229	12,170	535	18,303	44,398	7,757	\$ (21,837)
Total business-type activities net assets	<u>\$ 36,855</u>	<u>\$ 31,383</u>	<u>\$ 32,316</u>	<u>\$ 15,102</u>	<u>\$ 19,043</u>	<u>\$ 5,775</u>	<u>\$ 21,910</u>	<u>\$ 46,372</u>	<u>\$ 8,098</u>	<u>\$ (21,837)</u>
District-wide										
Invested in capital assets, net of related debt	\$ 1,649,730	\$ 1,597,047	\$ 1,484,373	\$ 1,737,905	\$ 1,703,046	\$ 2,339,835	\$ 2,779,832	\$ 2,950,844	\$ 3,567,561	\$ 5,734,416
Restricted	217,703	444,003	611,767	519,791	2,268,699	3,774,076	3,821,153	3,747,363	2,970,589	901,464
Unrestricted	(969,574)	(1,061,007)	(1,096,789)	(1,106,424)	(831,551)	(705,223)	(440,045)	(49,096)	(51,766)	(962,781)
Total district net assets	<u>\$ 897,859</u>	<u>\$ 980,043</u>	<u>\$ 999,351</u>	<u>\$ 1,151,272</u>	<u>\$ 3,140,194</u>	<u>\$ 5,408,688</u>	<u>\$ 6,160,940</u>	<u>\$ 6,649,111</u>	<u>\$ 6,486,384</u>	<u>\$ 5,673,099</u>

Source: ACFR Schedule A-1

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

Exhibit J-2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,007,195	\$ 3,811,914	\$ 3,712,881	\$ 3,401,524	\$ 3,332,792	\$ 3,667,264	\$ 3,471,312	\$ 4,136,078	\$ 4,049,424	\$ 4,499,271
Special education	871,760	866,380	830,413	621,940	330,696	287,302	731,928	673,423	893,501	818,483
Other special education	367,078	175,318	390,352	243,414	-	-	-	31,896	125,257	242,321
School Sponsored Other Instruction	6,482	12,425	4,209	3,232	18,676	427	67,824			
Support Services:										
Tuition	-	-	-	-	-	-	-	1,662,914	1,807,627	2,173,579
Student & instruction related services	3,662,932	3,274,490	3,333,708	3,813,923	3,145,906	2,935,626	3,092,494	1,612,918	2,586,005	2,318,880
General administrative services	387,956	326,777	379,971	338,224	473,808	416,210	440,507	427,841	424,968	568,267
School administrative services	360,516	269,230	410,505	454,772	277,083	446,140	647,639	398,633	367,489	327,834
Plant operations and maintenance	554,997	583,386	489,112	592,107	505,300	501,886	747,643	866,745	1,006,214	2,063,305
Pupil transportation	1,006,746	955,273	1,040,205	948,393	534,466	412,487	662,371	745,945	878,379	892,590
Other Fiscal Charges								993	993	993
Charter Schools	463,836	441,269	286,070	492,527	429,923	655,457	525,399	406,629	329,324	175,174
Capital Outlay						124,183				
Interest on long-term debt	2,474									
Unallocated Depreciation										
Total governmental activities expenses	10,691,972	10,716,462	10,877,426	10,910,056	9,048,650	9,446,982	10,387,117	10,964,015	12,469,181	14,080,697
Business-type activities:										
Food service	107,130	86,414	101,670	100,775	75,534	91,004	317,230	149,612	124,656	226,535
Before and After Care					9,640		824	25,569	-	-
Total business-type activities expense	107,130	86,414	101,670	100,775	85,174	91,004	318,054	175,181	124,656	226,535
Total district expenses	\$ 10,799,102	\$ 10,802,876	\$ 10,979,096	\$ 11,010,831	\$ 9,133,824	\$ 9,537,986	\$ 10,705,171	\$ 11,139,196	\$ 12,593,837	\$ 14,307,232
Program Revenues										
Governmental activities:										
Operating grants and contributions	\$ 2,395,326	\$ 2,754,448	\$ 2,808,509	\$ 2,596,674	\$ 2,384,165	\$ 2,970,266	\$ 2,745,091	\$ 4,805,355	\$ 5,504,281	\$ 4,780,677
Charges for Services				19,450	-	1	194	120	-	-
Total governmental activities program revenues	2,395,326	2,754,448	2,808,509	2,616,124	2,384,165	2,970,267	2,745,285	4,805,475	5,504,281	4,780,677
Business-type activities:										
Charges for services										
Food service	13,696	12,129	39,558	18,943	9,476	87	11	17,604	15,242	18,814
Before and After Care					14,308		22,603	47,664	(1,344)	-
Operating grants and contributions	85,688	68,808	37,566	69,292	57,829	68,146	311,555	52,311	63,038	137,096
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	99,384	80,937	77,124	88,235	81,613	68,233	334,169	117,579	76,936	155,910
Total district program revenues	\$ 2,494,710	\$ 2,835,385	\$ 2,885,633	\$ 2,704,359	\$ 2,465,778	\$ 3,038,500	\$ 3,079,454	\$ 4,923,054	\$ 5,581,217	\$ 4,936,587

Continued

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

Exhibit J-2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense)/Revenue										
Governmental activities	\$ (8,296,646)	\$ (7,962,014)	\$ (8,068,917)	\$ (8,293,932)	\$ (6,664,485)	\$ (6,476,715)	\$ (7,641,832)	\$ (6,158,540)	\$ (6,964,900)	\$ (9,300,020)
Business-type activities	(7,746)	(5,477)	(24,546)	(12,540)	(3,561)	(22,771)	16,115	(57,602)	(47,720)	(70,625)
Total district-wide net expense	<u>\$ (8,304,392)</u>	<u>\$ (7,967,491)</u>	<u>\$ (8,093,463)</u>	<u>\$ (8,306,472)</u>	<u>\$ (6,668,046)</u>	<u>\$ (6,499,486)</u>	<u>\$ (7,625,717)</u>	<u>\$ (6,216,142)</u>	<u>\$ (7,012,620)</u>	<u>\$ (9,370,645)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 5,780,732	\$ 5,780,732	\$ 5,896,347	\$ 6,256,056	\$ 6,552,974	\$ 6,717,893	\$ 6,572,446	\$ 6,572,446	\$ 6,572,446	\$ 6,966,795
Taxes Levied for Debt Service	122,378	2,008								
Transfers in/(out)	-	-	(25,076)	(23,528)	(7,500)	(9,500)	-	(82,031)	(7,381)	(40,000)
Unrestricted grants and contributions	2,244,711	2,225,159	2,185,393	2,176,829	2,088,287	1,902,417	1,710,952	-	-	1,366,560
Investment earnings	1,240	7,343	2,464	2,840	2,770	2,541	772	4,705	171,979	182,154
Miscellaneous income	4,549	34,428	28,164	50,870	9,940	145,126	93,779	127,129	131,666	41,161
Total governmental activities	<u>8,153,610</u>	<u>8,049,670</u>	<u>8,087,292</u>	<u>8,463,067</u>	<u>8,646,471</u>	<u>8,758,477</u>	<u>8,377,949</u>	<u>6,622,249</u>	<u>6,868,710</u>	<u>8,516,670</u>
Business-type activities:										
Transfers in/(out)			25,476	(4,675)	7,500	9,500	-	82,031	7,381	40,000
Investment earnings	4	5	3	1	2	3	20	33	2,065	690
Total business-type activities	<u>4</u>	<u>5</u>	<u>25,479</u>	<u>(4,674)</u>	<u>7,502</u>	<u>9,503</u>	<u>20</u>	<u>82,064</u>	<u>9,446</u>	<u>40,690</u>
Total district-wide	<u>\$ 5,111,390</u>	<u>\$ 5,295,785</u>	<u>\$ 5,332,775</u>	<u>\$ 5,474,910</u>	<u>\$ 5,677,169</u>	<u>\$ 5,682,153</u>	<u>\$ 5,779,184</u>	<u>\$ 6,704,313</u>	<u>\$ 6,878,156</u>	<u>\$ 8,557,360</u>
Change in Net Position										
Governmental activities	\$ (143,036)	\$ 87,656	\$ 18,375	\$ 169,135	\$ 1,981,986	\$ 2,281,762	\$ 736,117	\$ 463,709	\$ (96,190)	\$ (783,350)
Business-type activities	(7,742)	(5,472)	933	(17,214)	3,941	(13,268)	16,135	24,462	(38,274)	(29,935)
Total district	<u>\$ (150,778)</u>	<u>\$ 82,184</u>	<u>\$ 19,308</u>	<u>\$ 151,921</u>	<u>\$ 1,985,927</u>	<u>\$ 2,268,494</u>	<u>\$ 752,252</u>	<u>\$ 488,171</u>	<u>\$ (134,464)</u>	<u>\$ (813,285)</u>

Source: ACFR Schedule A-2

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

Exhibit J-3

	<u>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>2025</u>
General Fund										
Restricted	\$ 214,962	\$ 439,254	\$ 607,018	\$ 519,791	\$ 2,266,077	\$ 3,771,602	\$ 3,819,357	\$ 3,541,806	\$ 2,876,688	\$ 782,243
Reserved	174,218	247,538	149,623	96,973	428,268	325,185	403,427	290,849	788,119	127,488
Unreserved	-	-	79,473	102,147	69,293	254,927	247,490	751,955	155,945	149,637
Total general fund	<u>\$ 389,180</u>	<u>\$ 686,792</u>	<u>\$ 836,114</u>	<u>\$ 718,911</u>	<u>\$ 2,763,638</u>	<u>\$ 4,351,714</u>	<u>\$ 4,470,274</u>	<u>\$ 4,584,610</u>	<u>\$ 3,820,752</u>	<u>\$ 1,059,368</u>
All Other Governmental Funds										
Restricted	\$ 2,741	\$ 4,749	\$ 4,749		\$ 2,622	\$ 2,474	\$ 1,796	\$ 2,090	\$ 6,497	\$ 7,169
Reserved	80,332	80,332	80,332		-	-	-			
Unreserved / (Deficit)					(74,846)	(73,163)	(71,113)	(76,972)	(81,486)	(90,837)
Total all other governmental funds	<u>\$ 83,073</u>	<u>\$ 85,081</u>	<u>\$ 85,081</u>	<u>-</u>	<u>(72,224)</u>	<u>(70,689)</u>	<u>\$ (69,317)</u>	<u>\$ (74,882)</u>	<u>\$ (74,989)</u>	<u>\$ (83,668)</u>

Source: ACFR Schedule B-1

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

Exhibit J-4

	<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>2025</u>
Revenues										
Tax levy	\$ 5,903,110	\$ 5,782,740	\$ 5,896,347	\$ 6,256,056	\$ 6,552,974	\$ 6,717,893	\$ 6,572,446	\$ 6,572,446	\$ 6,572,446	\$ 6,966,795
Tuition	-	-	-	19,450	-	-	-	120	-	-
Interest Earnings	1,240	7,343	2,464	2,840	2,770	2,541	772	-	-	-
Miscellaneous	4,549	34,428	28,164	50,870	9,940	145,128	93,973	131,834	303,645	223,315
State sources	3,417,531	3,351,686	3,546,767	3,481,004	3,794,813	4,179,204	4,085,406	4,787,914	4,645,853	6,441,618
Federal sources	473,627	398,008	272,621	598,471	438,009	541,414	631,466	706,801	1,517,640	701,288
Total revenue	9,800,057	9,574,205	9,746,363	10,408,691	10,798,506	11,586,180	11,384,063	12,199,115	13,039,584	14,333,016
Expenditures										
Instruction										
Regular Instruction	1,646,499	1,822,591	1,821,876	1,808,214	2,012,408	2,374,347	2,279,731	2,904,538	2,532,474	2,498,275
Special education instruction	472,673	422,331	432,443	292,387	172,503	155,515	420,452	340,400	487,031	347,532
Other special instruction	178,410	74,075	175,554	112,246	-	-	-	31,896	125,257	242,321
Other instruction	3,150	5,250	1,893	1,835	9,585	-	40,149	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	1,662,914	1,807,627	2,173,579
Student & instruction related services	3,431,945	3,017,419	3,171,083	3,548,720	2,867,355	2,658,854	2,819,139	1,274,340	2,172,009	1,826,060
General administrative services	324,650	276,441	294,595	288,609	377,927	333,805	361,886	711,125	604,287	551,658
School Administrative services	222,018	151,858	266,257	360,831	203,675	287,558	443,697	206,757	133,341	84,917
Plant operations and maintenance	437,925	486,884	403,161	510,846	443,928	423,575	656,118	693,033	656,395	691,733
Pupil transportation	962,829	907,943	996,675	907,321	485,365	345,707	563,301	745,945	878,379	892,590
Unallocated employee benefits	1,569,409	1,589,231	1,680,788	1,869,359	1,688,887	1,935,255	2,476,289	2,586,602	2,925,306	3,354,061
Other Support Services										
Charter Schools	463,836	441,269	286,070	492,527	429,923	655,457	525,399	406,629	329,324	175,174
Capital outlay	74,354	86,937	41,570	394,552	129,942	816,996	677,970	444,134	1,144,738	4,225,179
Debt service:										
Principal	128,000	-	-	-	-	-	-	-	-	-
Interest and other charges	4,661	-	-	-	-	-	-	-	-	-
Total expenditures	9,920,359	9,282,229	9,571,965	10,587,447	8,821,498	9,987,069	11,264,131	12,008,313	13,796,168	17,063,079
Excess (Deficiency) of revenues over (under) expenditures	(120,302)	291,976	174,398	(178,756)	1,977,008	1,599,111	119,932	190,802	(756,584)	(2,730,063)
Other Financing Sources (uses)										
Capital Leases		7,644								
Funded by Budget Appropriation	49,000									
Transfers in	-	-	(25,076)	(23,528)	(7,500)	(9,500)	-	-	48,619	-
Transfers out	-	-	-	-	-	-	-	(82,031)	(56,000)	(40,000)
Total other financing sources (uses)	49,000	7,644	(25,076)	(23,528)	(7,500)	(9,500)	-	(82,031)	(7,381)	(40,000)
Net change in fund balances	\$ (71,302)	\$ 299,620	\$ 149,322	\$ (202,384)	\$ 1,969,508	\$ 1,589,611	\$ 119,932	\$ 108,771	\$ (763,965)	\$ (2,770,063)
Debt service as a percentage of noncapital expenditures	1.36%	1.35%	0.00%	0.00%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

MONTAGUE TOWNSHIP SCHOOL DISTRICT

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

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Tuition</u>	<u>Write-off</u> <u>Aged Payables</u>	<u>Miscellaneous</u>	<u>Total</u>
2016	\$ 1,240	-	-	-	\$ 4,549	\$ 5,789
2017	7,343	-	-	-	34,428	41,771
2018	2,464	\$ 5,456	-	-	22,708	30,628
2019	2,840	21,193	\$ 19,450	-	29,677	73,160
2020	2,770	68	-	-	9,872	12,710
2021	2,541	104,221	-	-	40,905	147,667
2022	1,851	33,428	-	-	59,272	94,551
2023	4,705	97,852	120	-	28,469	131,146
2024	171,979	29,058	-	\$ 72,581	21,280	294,898
2025	182,154	24,962	-	-	8,234	215,350

SOURCE: District Records

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

Exhibit J-6

<u>Fiscal Year Ended June 30</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax- Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2016 *	\$16,354,600	\$263,029,600	\$14,750,900	\$1,208,000	\$35,023,300	\$27,828,900	\$448,000	\$441,523,300	\$82,880,000	-	\$358,643,300	\$1.615	\$342,264,384
2017	16,006,700	262,316,400	14,597,200	1,211,100	34,950,200	27,686,800	448,000	439,157,300	81,940,900	-	357,216,400	1.652	351,615,565
2018	15,448,800	261,925,700	14,297,600	936,300	34,950,200	27,626,800	448,000	438,017,000	82,383,600	-	355,633,400	1.626	367,140,165
2019	15,394,900	261,024,900	15,036,600	927,500	35,090,000	27,626,800	448,000	437,536,400	81,987,700	-	355,548,700	1.626	364,146,167
2020	14,791,800	260,551,500	15,044,100	949,100	35,109,100	27,626,800	448,000	437,241,900	82,721,500	-	354,520,400	1.807	368,075,329
2021	14,502,600	260,794,900	14,955,900	924,700	35,188,200	27,626,800	448,000	437,455,200	83,014,100	-	354,441,100	1.872	384,258,666
2022	14,314,900	262,475,600	14,467,200	889,300	35,705,000	27,626,800	375,000	439,135,800	83,282,000	-	355,853,800	1.881	390,010,305
2023	14,277,500	262,938,800	15,227,400	923,800	36,017,200	27,626,800	375,000	442,180,500	84,794,000	-	357,386,500	0.000	407,740,063
2024	14,450,300	264,530,900	15,435,100	984,800	36,465,100	27,626,800	433,000	444,183,700	84,257,700	-	359,926,000	0.000	440,981,256
2025	14,422,200	265,035,300	15,633,600	947,300	33,051,400	27,626,800	448,300	442,293,600	85,128,700	-	357,164,900	0.000	461,502,153

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

* Revaluation

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

Exhibit J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30		Basic Rate ^a	Debt Service ^b	Total Direct	Township	Sussex County	Total Direct and Overlapping Tax Rate
2016	*	\$1.582	\$0.033	\$1.615	\$0.389	\$0.492	\$2.496
2017		1.651	0.001	1.652	0.401	0.543	2.596
2018		1.626		1.626	0.408	0.589	2.623
2019		1.626		1.626	0.484	0.589	2.623
2020		1.807		1.807	0.409	0.602	2.818
2021		1.872		1.872	0.412	0.634	2.918
2022		1.881		1.881	0.418	0.642	2.941
2023		1.825		1.825	0.423	0.642	2.890
2024		1.826		1.826	0.433	0.633	2.892
2025		1.895		1.895	0.444	0.603	2.942

Source: District Records and Municipal Tax Collector

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

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

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

* Revaluation

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

Exhibit J-8

Montague Township

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Tenneco, Inc.	\$ 25,700,000	1	7.2%	INFORMATION IS NOT AVAILABLE		
Tri State Mall Assoc.	12,028,700	2	3.4%			
Nexxt Enterprises LLC	1,324,800	3	0.4%			
AMG, Pub II	1,295,000	4	0.4%			
Petrozino, LLC	1,291,800	5	0.4%			
FSRP Realty, LLC	1,150,000	6	0.3%			
Ponky LLC	1,128,300	7	0.3%			
Lease Rentals at Gables LLC	1,061,000	8	0.3%			
442 Montague, LLC	818,300	9	0.2%			
ADPP Enterprises, Inc.	773,600	10	0.2%			
Total	<u>\$ 20,871,500</u>		<u>5.84%</u>	<u>\$ -</u>		<u>0.00%</u>

Source: District ACFR & Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 5,903,110	\$ 5,903,110	100.00%	-
2017	5,782,740	5,782,740	100.00%	-
2018	5,896,347	5,896,347	100.00%	-
2019	6,260,805	6,260,805	100.00%	-
2020	6,552,974	6,552,974	100.00%	-
2021	6,717,893	6,717,893	100.00%	-
2022	6,572,446	6,572,446	100.00%	-
2023	6,572,446	6,572,446	100.00%	-
2024	6,572,446	6,572,446	100.00%	-
2025	6,966,795	6,966,795	100.00%	-

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

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2015	\$79,000	-0-	-0-	\$49,000	-0-	\$128,000	0.06%	\$33.96
2016	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2017	-0-	-0-	\$6,079	-0-	-0-	\$6,079	-0-	\$1.64
2018	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2019	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2021	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2022	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2023	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2024	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2025	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

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

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

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

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

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2016	-0-	-0-	-0-	N/A	N/A
2017	-0-	-0-	-0-	N/A	N/A
2018	-0-	-0-	-0-	N/A	N/A
2019	-0-	-0-	-0-	N/A	N/A
2020	-0-	-0-	-0-	N/A	N/A
2021	-0-	-0-	-0-	N/A	N/A
2022	-0-	-0-	-0-	N/A	N/A
2023	-0-	-0-	-0-	N/A	N/A
2024	-0-	-0-	-0-	N/A	N/A
2025	-0-	-0-	-0-	N/A	N/A

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

a See Exhibit NJ J-6 for property tax data.

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

* Current data unavailable

MONTAGUE TOWNSHIP SCHOOL DISTRICT
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2025

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Montague Township	\$ 623,000	100.000%	\$ 623,000
Other debt			
Sussex County	79,054,107	1.957%	<u>\$ 1,547,279</u>
Subtotal, overlapping debt			2,170,279
Montague Township School District Direct Debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 2,170,279</u></u>

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

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

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

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

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2025

Equalized valuation basis	
2022	437,384,041
2023	464,540,527
2024	530,390,407
[A]	<u>\$ 1,432,314,975</u>
Average equalized valuation of taxable property	[A/3] \$ 477,438,325
Debt limit (3.0% of average equalization value)	[B] 14,323,150 a
Net bonded school debt	[C] -
Legal debt margin	[B-C] <u>\$ 14,323,150</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>2025</u>
Debt limit	\$8,366,780	\$8,667,852	\$9,038,262	\$11,007,207	\$11,163,062	\$11,405,647	\$11,774,226	\$12,309,188	\$13,074,560	\$14,323,150
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$8,366,780</u>	<u>\$8,667,852</u>	<u>\$9,038,262</u>	<u>\$11,007,207</u>	<u>\$11,163,062</u>	<u>\$11,405,647</u>	<u>\$11,774,226</u>	<u>\$12,309,188</u>	<u>\$13,074,560</u>	<u>\$14,323,150</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

Exhibit J-14

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2016	3,729	\$213,772,383	\$55,872 R	4.9%
2017	3,700	\$218,832,800	\$57,565 R	5.0%
2018	3,681	\$226,495,611	\$59,870 R	4.0%
2019	3,669	\$235,857,996	\$63,036 R	3.9%
2020	3,654	\$247,792,356	\$66,361 R	9.0%
2021	3,630	\$257,944,170	\$70,228 R	8.0%
2022	3,803	\$270,237,377	\$71,343 R	5.1%
2023	3,826	\$271,871,734	\$75,364 R	4.3%
2024	3,850	\$275,933,350	\$75,364 *	4.9%
2025	3,880	\$292,412,320	\$75,364 *	*

Source:

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

^b Personal Income provided by US Dept of Commerce

^c Per Capita provided by NJ Dept of Labor

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

R =Revised

P =Projected

* Current figure unavailable

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

Exhibit J-15

	2025			2016		
Employer	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		N/A			N/A	
	-		0.00%	-		0.00%

Source:
 Information not available at municipal or county level

MONTAGUE TOWNSHIP SCHOOL DISTRICT**Exhibit J-16****Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

	<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>2025</u>
<u>Function/Program</u>										
Instruction										
Regular	23.5	19.0	26.5	24.0	26.0	25.0	35.0	26.0	26.5	31.0
Special education	3.5	8.0	3.5	4.0	4.0	4.0	4.0	6.0	5.0	5.0
Other Special Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0	8.0
Other Instruction	4.0	4.0	5.0	5.0	5.0	5.0	5.0	10.0	7.0	6.5
Support Services:										
Student & instruction related services	2.0	2.0	2.5	2.0	3.0	3.0	4.0	7.0	9.5	10.5
School administrative services	2.0	2.0	2.5	2.5	2.0	2.0	2.0	3.0	3.5	3.5
General administrative services	2.5	2.5	1.0	2.0	1.5	1.0	1.0	1.0	1.5	1.5
Plant operations and maintenance	2.5	2.5	4.0	4.0	2.0	3.0	4.0	5.0	5.0	5.0
Business and Other Support Services	3.0	3.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	3.0
Pupil Transportation	1.0	1.0	0.0	2.0	1.0	1.0	5.0	5.0	6.5	6.0
Food Service	1.5	1.5	2.0	2.0	2.0	1.5	1.5	1.5	1.5	1.5
Total	45.5	45.5	49.0	50.5	48.5	47.5	63.5	66.5	75.0	81.5

Source: District Personnel Records

MONTAGUE TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	226	\$ 9,713,344	\$ 42,979	-6.05%	26.00	8.7:1	212.6	199.7	-1.62%	93.92%
2017	250	9,195,292	36,781	-14.42%	27.00	9.3:1	250.0	233.0	17.59%	93.20%
2018	252	9,530,395	37,819	2.82%	30.00	8.4:1	245.7	229.5	-1.72%	93.38%
2019	255	10,192,895	39,972	5.69%	28.00	9.1:1	249.9	234.0	1.70%	93.62%
2020	242	8,691,556	35,916	-10.15%	30.00	8.1:1	243.0	231.9	-2.75%	95.44%
2021	250	9,170,073	36,680	2.13%	30.00	8.3:1	242.5	232.1	-21.00%	95.71%
2022	282	10,586,161	37,764	2.96%	39.00	7.2:1	268.7	249.2	10.80%	92.74%
2023	309	11,564,179	37,425	-0.90%	26.00	11.9:1	296.0	275.5	10.16%	93.07%
2024	304	12,651,430	41,617	11.20%	38.00	8:1	309.0	293.6	4.39%	95.02%
2025	331	12,837,900	38,785	-6.80%	36.00	9.2:1	328.0	310.7	6.15%	94.73%

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

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Exhibit J-18

Number of Schools at June 30, 2025
Elementary = 1

Source: District Facilities Office

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MONTAGUE TOWNSHIP SCHOOL DISTRICT

GENERAL FUND

SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

Last Ten Fiscal Years Ending June 30, 2025

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</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>2025</u>	<u>Total</u>
Montague Elementary School	N/A	\$ 94,229	\$ 153,389	\$ 54,530	\$ 55,225	\$ 48,684	\$ 55,111	\$ 259,265	\$ 306,435	\$ 263,744	\$ 279,446	\$ 1,570,058
Grand Total		\$ 138,304	\$ 104,255	\$ 107,401	\$ 115,325	\$ 97,861	\$ 117,663	\$ 66,331	\$ 306,435	\$ 263,744	\$ 279,446	\$ 1,596,765

MONTAGUE TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2025

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
COMMERCIAL PACKAGE POLICY - NJSIG		
Property-Blanket Building and Contents (fund limit)	\$ 350,000	\$ 1,000
LIABILITY - NJSIG		
Comprehensive General Liability	16,000,000	None
Automobile Liability	16,000,000	None
Worker's Compensation	NJ Statutory	
SCHOOL BOARD LEGAL LIABILITY - NJSIG		
Limit of Liability	16,000,000	10,000
Coverage A	16,000,000	10,000
Coverage B	100,000/300,000	10,000
CRIME - NJSIG		
Blanket Employee Dishonesty	500,000	1,000
Forgery	250,000	1,000
Computer Fraud	50,000	500
Money and Securities	50,000	500
PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE		
BLANKET POSITION BOND-Western Surety		
School Board Administrator & Treasurer	200,000	None

SOURCE: District Records

Single Audit Section



ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montague Township School District Board of Education in the County of Sussex, State of New Jersey, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Montague Township School District Board of Education's basic financial statements, and have issued our report thereon dated November 10, 2025.

Report on Internal Control Over Financial Reporting

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

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

-Continued-

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and for New Jersey Department of Education use, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey
November 10, 2025

Anthony Ardito

Anthony Ardito
Certified Public Accountant
Licensed Public School Accountant No. 2369
ARDITO & COMPANY LLC
Frenchtown, New Jersey
November 10, 2025



ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by New Jersey OMB circular 15-08

Honorable President and
 Members of the Board of Education
 Montague Township School District
 County of Sussex
 Newton, New Jersey 07860

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Montague Township School District Board of Education's compliance with the types of compliance requirements described in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2025. The Montague Township School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Montague Township School District Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

-Continued-

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, ***Government Auditing Standards***, and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

-Continued-

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

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 10, 2025

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 10, 2025

MONTAGUE TOWNSHIP SCHOOL DISTRICT

K-3

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2025

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing	Grant or State Project	Program or Award	Grant Period		Balance At June 30, 2024	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2025			Cumulative Total Expenditures	
	No.	Number	Number	Amount	From							To	Accounts Receivable	Deferred Revenue		Due to Grantor
	No.	Number	Number	Amount	From							To	2024	Amount		Received
U.S. Department of Education																
General Fund:																
Impact Aid	84.041	N/A	N/A	\$ 173,002	7/1/24	6/30/25			\$ 173,002	\$ (173,002)						\$ 173,002
Total General Fund								-	173,002	(173,002)	-	-	-	-	-	173,002
U.S. Department of Education																
Passed-through																
State Department of Education:																
Special Revenue Fund:																
Title I	84.010	S010A240030	N/A	114,003	7/1/24	6/30/25			114,003	(114,003)						114,003
Title I	84.010	S010A230030	N/A	127,861	7/1/23	6/30/24	\$ (21,064)		21,064							127,861
Total Title I Cluster							(21,064)	-	135,067	(114,003)	-	-	-	-	-	241,864
Title II (A)	84.367	S367B240027	N/A	12,918	7/1/24	6/30/25			12,918	(12,918)						12,918
Title IV	84.424A	S424B240027	N/A	10,000	7/1/24	6/30/25			10,000	(10,000)						10,000
Title IV	84.424A	S424B230027	N/A	10,000	7/1/23	6/30/24	(511)		511							10,000
Total Non-Cluster ESEA							(511)	-	23,429	(22,918)	-	-	-	-	-	32,918
I.D.E.A. Part B, Basic Regular	84.027	H027A240100	N/A	114,480	7/1/24	6/30/25	(2,721)		117,201	(113,484)				\$ 996		113,484
I.D.E.A. Part B, Preschool	84.173	H173A240114	N/A	4,747	7/1/24	6/30/25	(3,174)		7,921	(4,747)						4,747
Total Special Education Cluster							(5,895)	-	125,122	(118,231)	-	-	-	996	-	118,231
Small Rural School Achievement	84.358A	S358B240030	S358A242717	28,694	7/1/24	9/30/25			28,694					28,694		
Small Rural School Achievement	84.358A	S358B230030	S358A232607	30,075	7/1/23	9/30/24	(30,075)		30,075							30,075
Total Small Rural School Achievement (REAP)							(30,075)	-	58,769	-	-	-	-	28,694	-	30,075
American Rescue Plan-ESSER III	84.425U	S425U240027	ARP	986,882	3/13/20	9/30/24	(121,664)		165,334	(43,670)						986,882
American Rescue Plan-Accel. Learn. Coaching & Ed. Support	84.425U	S425U240027	ARP	50,000	3/13/20	9/30/24	(25,560)		29,310	(3,750)						50,000
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U240027	ARP	40,000	3/13/20	9/30/24	(1,999)		9,844	(7,845)						40,000
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U240027	ARP	40,000	3/13/20	9/30/24	(5,907)		5,907	-						40,000
American Rescue Plan-NJTSS Mental Health Support Staffing	84.425U	S425U240027	ARP	45,000	3/13/20	9/30/24	(24,663)		25,717	(1,054)						45,000
CRRSA ESSER II	84.425D	S425D240027	CRRSA	439,115	3/13/20	9/30/23	(336,453)		341,283	(4,830)						439,115
CRRSA II Mental Health	84.425D	S425D240027	CRRSA	45,000	3/13/20	9/30/23	195							\$ 195		44,805
Total Education Stabilization Fund							(516,051)	-	577,395	(61,149)	-	-	-	-	195	1,645,802
Total Special Revenue Fund							(573,596)	-	919,782	(316,301)	-	-	-	29,690	195	2,068,890
U.S.Dept.of Agriculture																
Passed Through State Dept. of Agriculture																
Enterprise Fund:																
Child Nutrition Cluster:																
National School Lunch Program	10.555	241NJ304N1199	N/A	36,588	7/1/23	6/30/24	(2,200)		2,200							
National School Lunch Program	10.555	251NJ304N1199	N/A	69,837	7/1/24	6/30/25			61,494	(69,837)			\$ (8,343)			69,837
School Equipment	10.579	241NJ354N8103	N/A	20,060	7/1/23	6/30/24			20,060	(20,060)			-			20,060
P-EBT Administrative Cost	10.649	25222S900941	N/A	643	7/1/24	6/30/25			643	(643)			-			643
School Breakfast Program	10.553	241NJ304N1199	N/A	11,169	7/1/23	6/30/24	(651)		651				-			11,169
School Breakfast Program	10.553	251NJ304N1199	N/A	40,997	7/1/24	6/30/25			37,131	(40,997)			(3,866)			40,997
Total Enterprise Fund							(2,851)	-	122,179	(131,537)	-	-	(12,209)	-	-	142,706
TOTAL FEDERAL ASSISTANCE							\$ (576,447)	-	\$ 1,214,963	\$ (620,840)	-	-	\$ (12,209)	\$ 29,690	\$ 195	\$ 2,384,598

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

Note: This Schedule was not subject to an audit in accordance with OMB Uniform Guidance.

MONTAGUE TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2025

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2024	WALKOVER/ CARRY- OVER AMOUNT	CASH RECEIVED	BUDGETARY EXPEND.	ADJUST.	REPAY. OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2025			MEMO	
										(ACCTS. RECEIV.)	DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.
STATE DEPARTMENT OF EDUCATION														
General Fund:														
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	\$ 1,440,477			\$ 1,440,477	\$ (1,440,477)						* \$ 138,750	\$ 1,440,477
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	326,614			326,614	(326,614)						* 31,460	326,614
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	342,492			342,492	(342,492)						* 32,990	342,492
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	100,706			100,706	(100,706)						* 9,700	100,706
Extra-ordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	203,062	\$ (203,062)		203,062	-						* 203,062	203,062
Extra-ordinary Aid	25-495-034-5120-044	7/1/24-6/30/25	202,730			-	(202,730)			\$ (202,730)			* 202,730	202,730
Non-Public Transportation Aid	24-100-034-5120-068	7/1/23-6/30/24	4,805	(4,805)		4,805							* 5,137	5,137
Non-Public Transportation Aid	25-100-034-5120-068	7/1/24-6/30/25	5,137			-	(5,137)			(5,137)			* 1,126,236	1,126,236
On Behalf TPAF Pension	25-495-034-5094-002	7/1/24-6/30/25	1,126,236			1,126,236	(1,126,236)						* 329,087	329,087
On Behalf TPAF Pension PRM	25-495-034-5094-001	7/1/24-6/30/25	329,087			329,087	(329,087)						* 983	983
On Behalf TPAF Pension LTD Ins	25-495-034-5094-004	7/1/24-6/30/25	983			983	(983)						* 226,755	226,755
Reimbursed TPAF Soc. Secur. Contrib.	25-495-034-5094-003	7/1/24-6/30/25	226,755	(11,325)		226,194	(226,755)			(11,886)			* 212,900	4,304,279
Total General Fund				(219,192)		4,100,656	(4,101,217)			(219,753)			*	
Special Revenue Fund														
Preschool Education Aid	25-495-034-5120-086	7/1/24-6/30/25	908,364	250,852		908,364	(1,155,015)	\$ 68,737			\$ 72,938		* 90,837	1,155,015
Total Special Revenue Fund				250,852	-	908,364	(1,155,015)	68,737	-	-	72,938	-	*	
Capital Projects Fund														
Preschool Classroom Addition ROD Grant	3300-050-23-PK01	7/1/24-6/30/25	1,366,560			1,366,560	(1,366,560)						* 1,366,560	1,366,560
Total Capital Projects Fund				-	-	1,366,560	(1,366,560)	-	-	-	-	-	*	
Enterprise Fund:														
Nat. School Lunch Prog. (State Share)	24-100-010-3350-023	7/1/23-6/30/24		(200)		200							* 5,559	5,559
Nat. School Lunch Prog. (State Share)	25-100-010-3350-023	7/1/24-6/30/25	5,559			4,974	(5,559)			(585)			* 5,559	5,559
Total Enterprise Fund				(200)		5,174	(5,559)			(585)			*	
TOTAL STATE FINANCIAL ASSISTANCE				\$ 31,460	-	\$ 6,380,754	\$ (6,628,351)	\$ 68,737	-	\$ (220,338)	\$ 72,938	-	* \$ 303,737	\$ 6,831,413
Less On-behalf TPAF Pension Amounts:														
On Behalf TPAF Pension	25-495-034-5094-002	7/1/24-6/30/25	1,126,236				1,126,236							
On Behalf TPAF Pension PRM	25-495-034-5094-001	7/1/24-6/30/25	329,087				329,087							
On Behalf TPAF Pension LTD Ins	25-495-034-5094-004	7/1/24-6/30/25	983				983							
Total State Expenditures Subject to Major Program Determination							\$ (5,172,045)							

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2025

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and NJ OMB 15-08*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$6,793) for the general fund and \$115,692 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2025

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 173,002	\$ 4,094,424	\$ 4,267,426
Special Revenue Fund	528,286	980,634	1,508,920
Capital Projects Fund	-	1,366,560	1,366,560
Food Service Fund	<u>131,537</u>	<u>5,559</u>	<u>137,096</u>
Total Financial Assistance	<u>\$ 832,825</u>	<u>\$ 6,447,177</u>	<u>\$ 7,280,002</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2025. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2025.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Were significant deficiencies identified
that were not considered to be material
weaknesses?

___ Yes
x None
Reported

Noncompliance material to financial
statements noted?

___ Yes x No

Federal Awards

Not Applicable

Internal control over major programs:

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

2) Were significant deficiencies identified
that were not considered to be material
weaknesses?

___ Yes
___ None

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

N/A

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of ?

___ Yes ___ No

Identification of major programs:

<u>Assistance Listing</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A		

Dollar threshold used to distinguish between Type A and
Type B programs:

N/A

Auditee qualified as low-risk auditee?

___ Yes ___ No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Financial Assistance Section

Dollar threshold used to distinguish between Type A and
Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

___ Yes x No

Internal Control over major programs:

1) Material weakness(es) identified?

___ Yes x No

2) Were significant deficiencies identified
that were not considered to be material
weaknesses?

___ Yes x No

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

Unmodified

Any audit findings disclosed that are
required to be reported in accordance with
NJ OMB Circular letter 15-08 as applicable?

___ Yes x No

Identification of major programs:

State Grant/Project Number(s)**Name of State Program**

3300-050-23-PK01

Preschool Classroom Addition ROD Grant

25-495-034-5120-044

Extraordinary Aid

State Aid Cluster:

25-495-034-5120-078

Equalization Aid

25-495-034-5120-089

Special Education Aid

25-495-034-5120-084

Security Aid

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section II-Financial Statement Findings

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

Financial Statement: N/A

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

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

Federal Awards: N/A

State Awards: N/A

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. All prior year findings have been corrected.