

**SCHOOL DISTRICT
OF THE
TOWNSHIP OF MONTCLAIR**

**Township of Montclair School District
Board of Education
Montclair, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024**

**Annual Comprehensive
Financial Report**

of the

Township of Montclair School District

Montclair, New Jersey

For the Fiscal Year Ended June 30, 2024

Prepared by

**Township of Montclair School District
Board of Education**

Finance Department

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
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**INTRODUCTORY SECTION
(UNAUDITED)**



MONTCLAIR PUBLIC SCHOOLS

BUSINESS OFFICE

22 VALLEY ROAD ~ MONTCLAIR, NEW JERSEY 07042

WWW.MONTCLAIR.K12.NJ.US

December 12, 2024

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Montclair School District (the "District") for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests 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, a roster of officials and a list of principal consultants and advisors. 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 economic 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' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Montclair 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 Montclair School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre K through 12. The educational services provided include regular and vocational programs as well as special education for handicapped children. The District completed the 2023-2024 fiscal year with an enrollment of 6,011 students, which is a decrease of 28 students from the prior year.

2) ECONOMIC CONDITION AND OUTLOOK: The Township of Montclair is primarily residential with a few commercial ratables and with little space remaining for development. The Township has experienced relatively stable population since the 1930's. The Township has utilized the Local Redevelopment and Housing Laws to redevelop vacant and underutilized properties in the Township Center to include new retail space, new dwelling units and additional parking structures in the last several years with more such construction still in process. The April 1, 2020 U.S. Census indicated that the population increased 3,252 people to 40,921 from the April 1, 2010 U.S. Census with 25% of those being persons under 18 years old. Families with young children choose Montclair for its excellent schools. The housing market remains active as senior citizens leave the area and are replaced by younger families.

3) MAJOR INITIATIVES: The District continued to implement specific and targeted initiatives developed to address the deep implementation of the District core curriculum coupled with learning gaps between and among student groups in Montclair Public Schools. These initiatives included but were not limited to: (1) the continuing development of student-based, standards aligned magnet and elective courses curricula; (2) continuing an outcome based extended day learning for schools receiving Title I funding; (3) developing a robust student learning protocol with universal screeners, effective progress monitoring tools and tier I, II and III screeners; (4) ongoing creation and development of anti-racist professional development to promote equity, access and opportunity for each student in the District; (5) create effective social emotional programs that restore relationships between and among staff, students, parents/guardians and community; (6) continuing the development of creating an online environment that promotes effective managerial processes for students, staff and community members; (7) Preschool Expansion Aid to provide universal preschool to ages 3 to 4. This is a five-year expansion plan with the goal of servicing over 800 preschool students. This initiative will assist with increases in enrollment; (8) Community schools in partnership with Hackensack Meridian Mountainside Medical Center, provide free health services for all residents. The district sites are at Glenfield Middle School and Hillside Elementary School; (9) Career and Technical Education – new pathways for success after high school. Opportunities are provided through partnerships with the Carpenters Union, Weston Health Internship, Essex County Vocational Schools of Technology; (10) Dual Enrollment partnerships with Montclair State University and Essex County College, high school juniors and seniors have the opportunity to earn college credits with the possibility of obtaining an associate degree upon graduation.

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 is also 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2024.

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

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board oversees Risk Management for the District. A schedule of insurance coverage is found in J-20.

9) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board's audit committee. 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 is 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.

The Honorable President and Members of
the Board of Education
Montclair Township School District
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December 12, 2024

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Montclair School District Board 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 the financial and accounting staff.

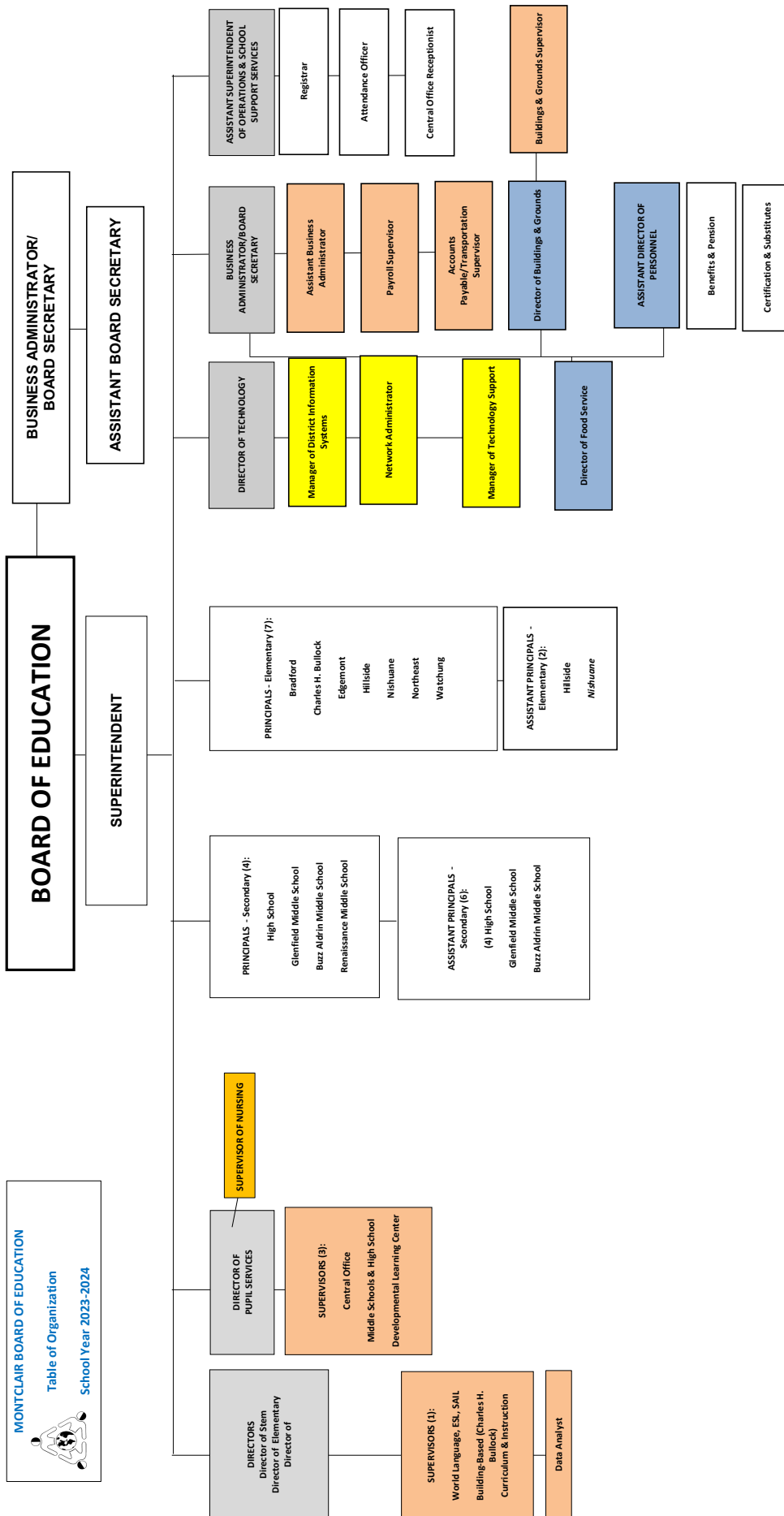
Respectfully submitted,

Damen Cooper

Damen Cooper
Interim Superintendent of Schools

Christina Hunt

Christina Hunt
Business Administrator/Board Secretary



**MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2024**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Melanie Deysher, President	2026
Mfreke “Monk” Inyang, Vice President	2025
Yvonne Bouknight	2025
Phaedra Dunn	2026
Brian Fleischer	2025
Sean Long	2024
Eric Scherzer	2024
Allison Silverstein	2026
Kathryn Weller-Demming	2024

<u>Other Officers</u>	<u>Title</u>
Dr. Jonathan Ponds	Superintendent of Schools (To July 2024)
Damen Cooper	Interim Superintendent of Schools (From July 2024)
Christina Hunt	School Business Administrator/Board Secretary
Beth Brooks	Treasurer of School Monies

MONTCLAIR TOWNSHIP SCHOOL DISTRICT

Consultants and Advisors

Architects

Parette Somjen Architects
439 US Highway 46, Suite 4
Rockaway, New Jersey 07866

EI Associates, Architects & Engineers, PA
8 Ridgedale Avenue
Cedar Knolls, NJ 07927

Attorneys

Machado Law Group
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Clark, New Jersey 07066

Schenck, Price, Smith & King, LLP
220 Park Avenue
Florham Park, New Jersey 07932

McManimon, Scotland & Baumann, LLC
75 Livingston Avenue, 2nd Floor
Roseland, New Jersey 07068

Audit Firm

Nisivoccia LLP
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, New Jersey 07856

Official Depositories

Valley National Bank
1460 Valley Road
Wayne, New Jersey 07470

Investors Savings Bank
505 Bloomfield Avenue
Montclair, New Jersey 07042

State of New Jersey Cash Management Fund
State Street Bank and Trust
P.O. Box 5994
Boston, MA 02206

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Montclair Township School District (the "District"), in the County of Essex, as of and for the fiscal year ended June 30, 2024, 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 District, as of June 30, 2024, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office 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, 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, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-7 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 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, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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 December 12, 2024 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

December 12, 2024
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Valerie A. Dolan
Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management Discussion and Analysis For the Fiscal Year Ended June 30, 2024

This section of the Montclair Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services, provisional teacher, and Summer programs.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the fiscal year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of Montclair Township School District's Financial Report

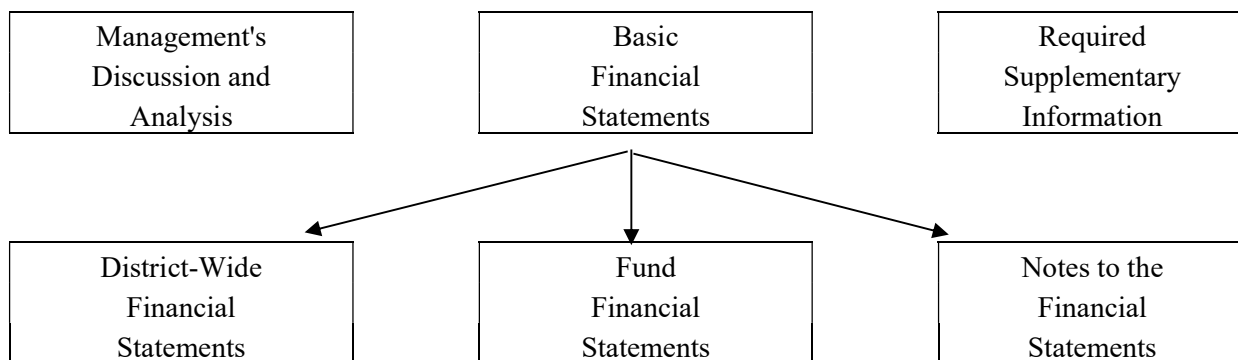


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses, food services, provisional teacher, and Summer programs
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the fiscal year or soon thereafter; no capital assets, lease assets, subscription assets, or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the fiscal year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the fiscal year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the fiscal year, regardless of when cash is received or paid

Management Discussion and Analysis For the Fiscal Year Ended June 30, 2024

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflow and outflows and liabilities. All of the current fiscal year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities:* The District charges fees to help it cover the costs of certain services it provides. The District's food service and special programs are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term liabilities) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at fiscal year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

Management Discussion and Analysis For the Fiscal Year Ended June 30, 2024

- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The District uses *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

Notes to the basic financial statements: The notes provide information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's *combined* net position was \$51,518,805 on June 30, 2024, \$3,570,999 or 7.45% more than it was the fiscal year before (See Figure A-3). Net investment in capital assets decreased \$25,347 due to current fiscal year depreciation, offset by capital asset additions and maturities of financed purchases. Restricted net position increased \$1,908,817 primarily as a result of interest transferred to the Debt Service Fund from interest earned on Capital Projects referendum balances. The unrestricted net position increased by \$1,687,529 primarily due to the changes in net pension liability and deferred inflows and outflows of resources related to pensions.

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024
Current and Other Assets	\$81,913,120	\$91,782,747	\$1,077,055	\$902,469	\$82,990,175	\$92,685,216	
Capital Assets, Net	86,221,736	78,520,307	70,731	80,421	86,292,467	78,600,728	
Total Assets	168,134,856	170,303,054	1,147,786	982,890	169,282,642	171,285,944	-1.17%
Deferred Outflows of Resources	2,476,946	3,514,863			2,476,946	3,514,863	-29.53%
Other Liabilities	9,991,634	14,401,232	992,249	463,164	10,983,883	14,864,396	
Long-Term Liabilities	106,579,578	107,006,600			106,579,578	107,006,600	
Total Liabilities	116,571,212	121,407,832	992,249	463,164	117,563,461	121,870,996	-3.53%
Deferred Inflows of Resources	2,677,322	4,982,005			2,677,322	4,982,005	-46.26%
Net Position:							
Net Investment in							
Capital Assets	68,422,536	68,438,193	70,731	80,421	68,493,267	68,518,614	
Restricted	6,845,975	4,937,158			6,845,975	4,937,158	
Unrestricted/(Deficit)	(23,905,243)	(25,947,271)	84,806	439,305	(23,820,437)	(25,507,966)	
Total Net Position	\$51,363,268	\$47,428,080	\$155,537	\$519,726	\$51,518,805	\$47,947,806	7.45%

Management Discussion and Analysis For the Fiscal Year Ended June 30, 2024

Changes in Net Position. Net position from governmental activities increased by \$3,935,188 and net position from business-type activities decreased by \$364,189 (See Figure A-4).

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024
Revenue:							
Program Revenue:							
Charges for Services	\$ 818,366	\$ 777,936	\$ 1,353,021	\$ 1,235,536	\$ 2,171,387	\$ 2,013,472	
Grants and Contributions:							
Operating	58,708,589	50,884,781	774,295	795,601	59,482,884	51,680,382	
Capital	614,139	546,007			614,139	546,007	
General Revenue:							
Property Taxes	129,208,540	125,498,569			129,208,540	125,498,569	
Federal and State Aid Not Restricted	1,157,874	1,134,706			1,157,874	1,134,706	
Other	5,080,094	2,916,590	3,228	38,532	5,083,322	2,955,122	
Total Revenue	195,587,602	181,758,589	2,130,544	2,069,669	197,718,146	183,828,258	7.56%
Expenses:							
Instruction	113,573,279	100,027,321			113,573,279	100,027,321	
Pupil and Instruction Services	37,583,891	37,660,263			37,583,891	37,660,263	
Administrative and Business	14,476,428	13,584,179			14,476,428	13,584,179	
Maintenance and Operations	12,252,640	12,829,832			12,252,640	12,829,832	
Transportation	8,146,770	10,559,266			8,146,770	10,559,266	
Other	5,619,406	3,219,988	2,494,733	2,172,445	8,114,139	5,392,433	
Total Expenses	191,652,414	177,880,849	2,494,733	2,172,445	194,147,147	180,053,294	7.83%
Change in Net Position	\$ 3,935,188	\$ 3,877,740	\$ (364,189)	\$ (102,776)	\$ 3,570,999	\$ 3,774,964	-5.40%

Management Discussion and Analysis For the Fiscal Year Ended June 30, 2024

Governmental Activities

Net position from the District's governmental activities increased by \$3,935,188 in the current fiscal year. A majority of all revenue for the Montclair Township School District is collected through property taxes and state aid.

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

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2023/2024	2022/2023	2023/2024	2022/2023
Instruction	\$ 113,573,279	\$ 100,027,321	\$ 63,227,345	\$ 56,249,608
Pupil and Instruction Services	37,583,891	37,660,263	33,326,921	33,850,220
Administrative and Business	14,476,428	13,584,179	11,861,666	11,394,983
Maintenance and Operations	12,252,640	12,829,832	10,633,063	11,657,159
Transportation	8,146,770	10,559,266	6,842,919	9,300,167
Other	5,619,406	3,219,988	5,619,406	3,219,988
	<u>\$ 191,652,414</u>	<u>\$ 177,880,849</u>	<u>\$ 131,511,320</u>	<u>\$ 125,672,125</u>

Business-Type Activities

Net position from the District's business-type activity decreased \$364,189 due to a deficit in the change in net position for the Food Service Enterprise fund along with a minor deficit change in Net position from the Non-Major Enterprise Funds. (Refer to Figure A-4).

General Fund Budgetary Highlights

Over the course of the fiscal year, the District revised the annual operating budget several times. Budget amendments were made during the fiscal year within various budgetary line items for changes in school-based needs for programs and supplies.

Management Discussion and Analysis For the Fiscal Year Ended June 30, 2024

Capital Asset and Long Term Liabilities Administration

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024
Land	\$ 5,187,355	\$ 5,187,355			\$ 5,187,355	\$ 5,187,355	
Construction in Progress	14,269,542	5,836,756			14,269,542	5,836,756	
Buildings & Building Improvements	63,186,883	63,427,464			63,186,883	63,427,464	
Machinery & Equipment	3,577,956	4,068,732	\$ 70,731	\$ 80,421	3,648,687	4,149,153	
Total Capital Assets, Net of Depreciation	<u>\$ 86,221,736</u>	<u>\$ 78,520,307</u>	<u>\$ 70,731</u>	<u>\$ 80,421</u>	<u>\$ 86,292,467</u>	<u>\$ 78,600,728</u>	<u>9.79%</u>

The District's capital assets increased by \$7,691,739. Total capital construction in progress and acquisitions were \$10,223,930, offset by depreciation of \$2,532,191.

Long-Term Liabilities

The District's Long-Term Liabilities decreased by \$528,238 or 0.49% during the fiscal year. (More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements).

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Total Percentage Change
	2023/2024	2022/2023	2023/2024
Net Pension Liability	\$ 22,979,173	\$ 24,262,590	
Bonds Payable	70,000,000	70,000,000	
Financed Purchases Payable	8,699,614	9,758,416	
Compensated Absences Payable	3,950,791	2,985,594	
Arbitrage Rebate Payable	950,000		
	<u>\$ 106,579,578</u>	<u>\$ 107,006,600</u>	<u>-0.40%</u>

- The District's net pension liability decreased \$1,283,417(\$1,384,633 decrease for PERS and \$101,216 increase for Essex County).
- Financed Purchases Payable decreased \$1,058,802.
- Compensated Absences increased \$965,197.
- Arbitrage Rebate Payable increased \$950,000.

Management Discussion and Analysis For the Fiscal Year Ended June 30, 2024

Factors Bearing on the District's Future Revenue/Expense Changes

The Audit for the Fiscal year 2024 reflects a stable financial position for the Montclair School District, which is supporting the current fiscal year (2023-2024) budget through an increased tax levy base. As the District prepares for the development of the 2024-2025 budget, it will be faced with the ongoing challenges of the State mandated 2% cap on the tax levy while recurring expenses in the areas of salaries, special education costs, utilities and employee health benefits continue to rise. In the area of employee health benefits, the implementation of Chapter 44 health benefit requirements has not produced the savings that the State anticipated it would and has instead increased the cost of employee health benefits to the district for January 2024 through June 2024. While the district's fund balance has remained consistent over the last several years, as compared to the historic spike in June 2011 and 2012, the ability to generate consistent revenue to cover annual expenses will continue to require a creative approach to budgeting for the foreseeable future.

With the change from a Type I school district to a Type II school district, also comes changes to the funding of capital projects for the school district. As a Type I school district, the Montclair Public Schools was able to request funding from the Board of School Estimate for capital projects and if approved the Township of Montclair would issue a capital ordinance and assume the debt for such funding. With the change to a Type II school district, the Montclair Public Schools will need to prepare a referendum question for the voters of Montclair to vote on during the election cycle to have capital projects approved and then the school district would assume the debt for such funding.

The November 2022 election had a proposal on the ballot to for a \$187.7 million Bond Referendum to address the much-needed upgrades to all the facilities within the district. The voters overwhelming voted yes (85%) for the referendum. The future projects include districtwide HVAC upgrades, boiler replacements, electrical upgrades, roof replacements, other infrastructure repairs and upgrades, practical and performing arts facility upgrades, gymnasium upgrades, science and classroom upgrades, technology upgrades, special education upgrades and athletic facility and playground upgrades. Projection for projects to be completed by 2028.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 22 Valley Road, Montclair, New Jersey 07042.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 74,078,012	\$ 922,933	\$ 75,000,945
Internal Balances	(14,667)	14,667	
Receivables from Federal Governments	4,787,595	97,155	4,884,750
Receivables from State Governments	982,582	5,244	987,826
Other Accounts Receivable		15,000	15,000
Inventories		22,056	22,056
Restricted Cash and Cash Equivalents	2,079,598		2,079,598
Capital Assets:			
Sites (Land)	5,187,355		5,187,355
Construction in Progress	14,269,542		14,269,542
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	66,764,839	70,731	66,835,570
Total Assets	168,134,856	1,147,786	169,282,642
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	466,313		466,313
District Contributions Subsequent to the Measurement Date	2,010,633		2,010,633
Total Deferred Outflows of Resources	2,476,946		2,476,946
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	4,725,597	598,271	5,323,868
Accrued Liability for Health Benefits	2,000,000		2,000,000
Accrued Interest Payable	1,081,122		1,081,122
Payable to Other Government	1,032,976		1,032,976
Payable to State Government	206,842		206,842
Payable to Federal Government	51,384		51,384
Unearned Revenue	893,713	393,978	1,287,691
Noncurrent Liabilities:			
Due Within One Year	2,866,219		2,866,219
Due Beyond one Year	103,713,359		103,713,359
Total Liabilities	116,571,212	992,249	117,563,461
<u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred Inflows Related to Pensions	2,677,322		2,677,322
Total Deferred Outflows of Resources	2,677,322		2,677,322
<u>NET POSITION</u>			
Net Investment in Capital Assets	68,422,536	70,731	68,493,267
Restricted for:			
Excess Surplus	737,760		737,760
Capital Projects	1,378,789		1,378,789
Debt Service	3,680,798		3,680,798
Maintenance	184,278		184,278
Unemployment Compensation	436,873		436,873
Workers Compensation	81,976		81,976
Student Activities	345,501		345,501
Unrestricted/(Deficit)	(23,905,243)	84,806	(23,820,437)
Total Net Position	\$ 51,363,268	\$ 155,537	\$ 51,518,805

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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	Total
Governmental Activities:							
Instruction:							
Regular	\$ 86,178,535	\$ 1,536	\$30,812,562	\$ 150,009	\$ (55,214,428)		\$ (55,214,428)
Special Education	22,987,847		18,600,446		(4,387,401)		(4,387,401)
Other Special Instruction	2,094,722		670,361		(1,424,361)		(1,424,361)
School-Sponsored Instruction	2,312,175		111,020		(2,201,155)		(2,201,155)
Support Services:							
Tuition	6,621,430		1,010,905		(5,610,525)		(5,610,525)
Student & Instruction Related Services	30,962,461	816,830	2,429,235		(27,716,396)		(27,716,396)
General Administrative Services	2,635,957		68,871		(2,567,086)		(2,567,086)
School Administrative Services	8,841,258		2,391,041		(6,450,217)		(6,450,217)
Central Services	1,654,972		98,470		(1,556,502)		(1,556,502)
Administration Information Technology	1,344,241		56,380		(1,287,861)		(1,287,861)
Plant Operations and Maintenance	12,252,640		1,155,447	464,130	(10,633,063)		(10,633,063)
Pupil Transportation	8,146,770		1,303,851		(6,842,919)		(6,842,919)
Transfer to Charter Schools	141,715				(141,715)		(141,715)
Interest on Long-Term Debt	3,287,579				(3,287,579)		(3,287,579)
Capital Outlay	166,410				(166,410)		(166,410)
Unallocated Depreciation	2,023,702				(2,023,702)		(2,023,702)
Total Governmental Activities	191,652,414	818,366	58,708,589	614,139	(131,511,320)		(131,511,320)

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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	Total
Business-Type Activities:							
Food Service	\$ 2,106,608	\$ 995,140	\$ 774,295		\$ (337,173)	\$ (337,173)	(337,173)
Summer Programs	306,458	316,681			10,223	10,223	10,223
Provisional Teacher	81,667	41,200			(40,467)	(40,467)	(40,467)
Total Business-Type Activities	2,494,733	1,353,021	774,295		(367,417)	(367,417)	(367,417)
Total Primary Government	\$ 194,147,147	\$ 2,171,387	\$ 59,482,884	\$ 614,139	\$ (131,511,320)	(367,417)	(131,878,737)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					128,008,540		128,008,540
Taxes Levied for Debt Service					1,200,000		1,200,000
Federal and State Aid not Restricted					1,157,874		1,157,874
Interest and Miscellaneous Revenue					5,080,094	3,228	5,083,322
Total General Revenues					135,446,508	3,228	135,449,736
Change in Net Position					3,935,188	(364,189)	3,570,999
Net Position - Beginning					47,428,080	519,726	47,947,806
Net Position - Ending					\$ 51,363,268	\$ 155,537	\$ 51,518,805

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 7,416,492	\$ 722,211	\$ 65,938,047	\$ 1,262	\$ 74,078,012
Interfund Receivable	130,794			3,679,536	3,810,330
Receivables From Federal Government		982,582			982,582
Receivables From State Government	3,754,620		1,032,975		4,787,595
Restricted Cash and Cash Equivalents	1,691,490	388,108			2,079,598
Total Assets	\$ 12,993,396	\$ 2,092,901	\$ 66,971,022	\$ 3,680,798	\$ 85,738,117
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 1,949,991	\$ 764,973			\$ 2,714,964
Accrued Liability for Health Benefit Claims	2,000,000				2,000,000
Interfund Payable	14,667	42,607	\$ 3,767,723		3,824,997
Unearned Revenue		893,713			893,713
Payable to Other Government			1,032,976		1,032,976
Payable to State Government		206,842			206,842
Payable to Federal Government		51,384			51,384
Total Liabilities	3,964,658	1,959,519	4,800,699		10,724,876
Fund Balances:					
Restricted:					
Excess Surplus 2024-25	737,760				737,760
Capital Reserve	988,363				988,363
Maintenance Reserve	184,278				184,278
Unemployment Compensation	436,873				436,873
Workers Compensation	81,976				81,976
Student Activities		345,501			345,501
Capital Projects			60,970,931		60,970,931
Debt Service				\$ 3,680,798	3,680,798
Committed - Capital Projects			249,392		249,392
Assigned:					
Capital Projects			950,000		950,000
Year-End Encumbrances	1,923,511				1,923,511
For Subsequent Year's Expenditures	2,667,739				2,667,739
Unassigned/(Deficit)	2,008,238	(212,119)			1,796,119
Total Fund Balances	9,028,738	133,382	62,170,323	3,680,798	75,013,241
Total Liabilities and Fund Balances	\$ 12,993,396	\$ 2,092,901	\$ 66,971,022	\$ 3,680,798	\$ 85,738,117

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>Total Governmental Funds</u>
Total Fund Balance from previous page:	\$ 75,013,241
Amounts reported for <i>Governmental Activities</i> in the Statement of Net Position (A-1) are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.	86,221,736
Long-term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(83,600,405)
The Net Pension Liabilities for PERS and Essex County Pension Fund are not due and payable in the current period and are not reported in the Governmental Funds.	(22,979,173)
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(1,081,122)
Certain Amounts Related to the Net Pension Liabilities are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows of Resources Related to Pensions, excluding District Contribution Subsequent to the Measurement Date:	
PERS	359,575
Essex County Pension	106,738
Deferred Inflows of Resources Related to Pensions	
PERS	<u>(2,677,322)</u>
Net Position of Governmental Activities	<u><u>\$ 51,363,268</u></u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

REVENUE:	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Local Sources:					
Local Tax Levy	\$ 128,008,540			\$ 1,200,000	\$ 129,208,540
Tuition from Individuals	1,536				1,536
Interest Earned on Capital Reserve Funds	40,418				40,418
Rents and Royalties	81,943				81,943
Miscellaneous	867,789	\$ 848,692	\$ 4,088,680	1,264	5,806,425
Total - Local Sources	129,000,226	848,692	4,088,680	1,201,264	135,138,862
State Sources	45,722,747	2,773,567		729,339	49,225,653
Federal Sources	105,828	3,919,009			4,024,837
Total Revenue	174,828,801	7,541,268	4,088,680	1,930,603	188,389,352
EXPENDITURES:					
Current:					
Regular Instruction	42,287,310	4,739,376			47,026,686
Special Education Instruction	11,281,476	1,255,001			12,536,477
Other Special Instruction	1,155,025				1,155,025
School Sponsored Instruction	1,831,912				1,831,912
Support Services and Undistributed Costs:					
Tuition	5,610,525	1,010,905			6,621,430
Student & Instruction Related Services	22,883,087	793,445			23,676,532
General Administration Services	2,306,239				2,306,239
School Administration Services	5,317,285				5,317,285
Central Services	1,422,950				1,422,950
Administration Information Technology	993,572				993,572

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES:					
Support Services and Undistributed Costs:					
Plant Operations and Maintenance	\$ 11,415,780				\$ 11,415,780
Pupil Transportation	8,102,805				8,102,805
Unallocated Benefits	58,747,443				58,747,443
Capital Outlay	214,075	\$ 372,723	\$ 9,776,725		10,363,523
Charter School	141,715				141,715
Debt Service:					
Interest and Other Charges				\$ 2,241,991	2,241,991
Total Expenditures	173,711,199	8,171,450	9,776,725	2,241,991	193,901,365
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,117,602	(630,182)	(5,688,045)	(311,388)	(5,512,013)
OTHER FINANCING SOURCES/(USES):					
Transfers In/(Out)	(479,319)	542,508	(2,729,821)	2,666,632	
Total Other Financing Sources/(Uses)	(479,319)	542,508	(2,729,821)	2,666,632	
Net Change in Fund Balances	638,283	(87,674)	(8,417,866)	2,355,244	(5,512,013)
Fund Balance - July 1	8,390,455	221,056	70,588,189	1,325,554	80,525,254
Fund Balance - June 30	\$ 9,028,738	\$ 133,382	\$ 62,170,323	\$ 3,680,798	\$ 75,013,241

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)		\$ (5,512,013)
Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit 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 differ from depreciation.		
Depreciation Expense	\$ (2,495,684)	
Capital Outlays	<u>10,197,113</u>	7,701,429
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(965,197)
Repayment of financed purchases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		1,058,802
In the statement of activities, arbitrage rebate liability is accrued, regardless of when due. In the governmental funds, arbitrage rebate payable is reported when due.		(950,000)
In the statement of activities, interest on long-term debt is accrued, regardless of when it is due. In the Governmental Funds, interest is reported when it is due. The accrued interest is a reduction in the reconciliation. (-)		(95,060)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability	1,283,417	
Change in Deferred Outflows of Resources Related to Pensions	(848,211)	
Change in Deferred Inflows of Resources Related to Pensions	<u>2,262,021</u>	
Total Change in Net Position - Governmental Activities (Exhibit A-2)	<u>2,697,227</u>	
		<u>\$ 3,935,188</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	<u>Major Fund</u> <u>Food Service</u> <u>Program</u>	<u>Non-Major</u> <u>Funds</u>	<u>Total</u> <u>Enterprise</u> <u>Funds</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 491,840	\$ 431,093	\$ 922,933
Intergovernmental Accounts Receivable:			
State	5,244		5,244
Federal	97,155		97,155
Accounts Receivable:			
Student - (Less Allowance of \$306,577)	15,000		15,000
Interfund Receivable	14,667		14,667
Inventories	22,056		22,056
Total Current Assets	<u>645,962</u>	<u>431,093</u>	<u>1,077,055</u>
Non-Current Assets:			
Capital Assets	603,394		603,394
Less: Accumulated Depreciation	<u>(532,663)</u>		<u>(532,663)</u>
Total Non-Current Assets	<u>70,731</u>		<u>70,731</u>
Total Assets	<u>716,693</u>	<u>431,093</u>	<u>1,147,786</u>
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	182,716	211,262	393,978
Accounts Payable	<u>543,143</u>	<u>55,128</u>	<u>598,271</u>
Total Liabilities	<u>725,859</u>	<u>266,390</u>	<u>992,249</u>
NET POSITION:			
Investment in Capital Assets	70,731		70,731
Unrestricted/(Deficit)	<u>(79,897)</u>	<u>164,703</u>	<u>84,806</u>
Total Net Position/(Deficit)	<u>\$ (9,166)</u>	<u>\$ 164,703</u>	<u>\$ 155,537</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Major Fund Food Service Program	Non-Major Funds	Total Enterprise Funds
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 815,527		\$ 815,527
Daily Sales - Non-Reimbursable Programs	179,613		179,613
Program Fees		\$ 316,681	316,681
Mentor Fees		41,200	41,200
Total Operating Revenue	995,140	357,881	1,353,021
Operating Expenses:			
Cost of Sales:			
Reimbursable Programs	737,176		737,176
Non-Reimbursable Programs	166,009		166,009
Total Cost of Sales	903,185		903,185
Salaries, Benefits & Payroll Taxes	800,447	363,953	1,164,400
Administrative Expenses	114,065	1,000	115,065
Supplies and Materials	143,865	13,468	157,333
Management Fee	108,539		108,539
Purchased Professional Services		9,704	9,704
Depreciation Expense	36,507		36,507
Total Operating Expenses	2,106,608	388,125	2,494,733
Operating Income/(Loss)	(1,111,468)	(30,244)	(1,141,712)
Non-Operating Revenue:			
Local Sources:			
Interest Income	3,228		3,228
State Sources:			
State School Lunch Program	24,087		24,087
State School Breakfast Program	914		914
State Extended Income Eligibility - Breakfast	240		240
State Extended Income Eligibility - Lunch	3,007		3,007
Federal Sources:			
School Breakfast Program	49,111		49,111
National School Lunch Program	427,683		427,683
Healthy Hunger-Free Kids Act	23,775		23,775
Local Food for Schools (LFS) Cooperative Program	15,282		15,282
P-EBT Reimbursement	653		653
Food Distribution Program	63,547		63,547
Supply Chain Assistance Grant	165,996		165,996
Total Non-Operating Revenue	777,523		777,523
Change in Net Position	(333,945)	(30,244)	(364,189)
Net Position - Beginning of Year	324,779	194,947	519,726
Net Position/(Deficit) - End of Year	\$ (9,166)	\$ 164,703	\$ 155,537

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Major Fund</u> <u>Food Service</u> <u>Program</u>	<u>Non-Major</u> <u>Funds</u>	<u>Total</u> <u>Enterprise</u> <u>Funds</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 998,129	\$ 352,565	\$ 1,350,694
Payments to Employees		(373,657)	(373,657)
Payments to Food Service Management Contractor	(1,444,425)		(1,444,425)
Payments to Suppliers	(58,731)	40,660	(18,071)
Net Cash Provided by/(Used for) Operating Activities	(505,027)	19,568	(485,459)
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets	(26,817)		(26,817)
Net Cash Used for Capital and Related Financing Activities	(26,817)		(26,817)
Cash Flows from Investing Activities:			
Local Sources:			
Interest Income	3,228		3,228
Net Cash Provided by Investing Activities	3,228		3,228
Cash Flows from Noncapital Financing Activities:			
Cash Received from State Subsidy Reimbursements	24,599		24,599
Cash Received from Federal Subsidy Reimbursements	598,297		598,297
Interfund - General Fund	(9,722)		(9,722)
Net Cash Provided by Noncapital Financing Activities	613,174		613,174
Net Increase/ (Decrease) in Cash and Cash Equivalents	84,558	19,568	104,126
Cash and Cash Equivalents, July 1	407,282	411,525	818,807
Cash and Cash Equivalents, June 30	<u>\$ 491,840</u>	<u>\$ 431,093</u>	<u>\$ 922,933</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Major Fund</u> <u>Food Service</u> <u>Program</u>	<u>Non-Major</u> <u>Funds</u>	<u>Total</u> <u>Enterprise</u> <u>Funds</u>
Reconciliation of Operating Income/(Loss) to Net Cash			
Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ (1,111,468)	\$ (30,244)	\$ (1,141,712)
Adjustment to Reconcile Operating Income/(Loss) to			
Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	36,507		36,507
Food Distribution Program	63,547		63,547
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable		2,800	2,800
Decrease in Inventory	893		893
Increase/(Decrease) in Unearned Revenue:			
Donated Commodities	(2,305)		(2,305)
Prepaid Meals/Summer Program	2,989	(8,116)	(5,127)
Increase in Accounts Payable	504,810	55,128	559,938
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (505,027)</u>	<u>\$ 19,568</u>	<u>\$ (485,459)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received commodities from the Federal Food Distribution Program valued at \$61,242 and utilized \$63,547 for the fiscal year ended June 30, 2024.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Montclair Township School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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.

A. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other non-exchange transactions. Business-type activities are financed in part by fees charged to external parties.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

District-Wide Financial Statements: (Cont'd)

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the 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.

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 and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the capital outlay sub-fund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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 capital 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 expenses by board resolution.

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, lease assets or subscription assets (other than those financed by proprietary funds).

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

The District reports the following proprietary fund:

Enterprise Funds: The Enterprise Fund accounts for all revenue and expenses pertaining to the District's Enterprise Funds. The District operates several Enterprise Funds. The District's Enterprise Funds are comprised of the Food Service, Provisional Teacher, and Summer Programs. These Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students or to the public on a continuing basis is financed or recovered primarily through user charges. None of the District's individual Enterprise Funds except for the Food Service Fund are considered to be major funds.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. 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. Capital asset, lease assets, or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under financed purchases and leases are reported as other financing sources.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting (Cont'd)

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County was approved by a vote of 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. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting 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 budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements. The capital projects fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of revenue from the Township ordinances. Ordinance revenue is recognized in full in the year the ordinances are authorized on the budgetary basis; but are not recognized on the GAAP basis until funds are expended and submitted for reimbursement from the Township.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of receivables for grants or from the Township. These grants are recognized on the budgetary basis in full at the time of the award but are recognized on the GAAP basis as they are expended and requested for reimbursement.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 174,858,066	\$ 8,232,106
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the		
Budgetary Basis recognizes Encumbrances as Revenue and		
Expenditures, whereas the GAAP Basis does not:		
Current Year Encumbrances:		
Federal		(584,206)
State		(291,625)
Local		(7,467)
Prior Year Encumbrances:		
Federal		326,947
State		146,682
Local		5,200
Cancelled		(175,310)
Prior Year State Aid Payments Not Recognized for Budgetary		
Purposes, Recognized for GAAP Statements	826,807	101,060
Current Year State Aid Payments Recognized for Budgetary Purposes,		
not Recognized for GAAP Statements	<u>(856,072)</u>	<u>(212,119)</u>
Total Revenues as Reported on the Statement of Revenues,		
Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 174,828,801</u>	<u>\$ 7,541,268</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the		
Budgetary Comparison Schedule	\$ 173,711,199	\$ 8,751,229
Differences - Budgetary to GAAP		
Encumbrances for Supplies and Equipment Ordered but not Received are		
Reported in the Year the Order is Placed for Budgetary Purposes, but		
in the Year the Supplies are Received for Financial Reporting Purposes		
Current Year Encumbrances		(883,298)
Prior Year Encumbrances		478,829
Prior Year Encumbrances Canceled		<u>(175,310)</u>
Total Expenditures as Reported on the Statement of Revenues,		
Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 173,711,199</u>	<u>\$ 8,171,450</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

	<u>Capital Projects Fund</u>	
	<u>Revenue and Other Financing Sources</u>	<u>Fund Balance</u>
Summary Schedule of Revenues, Expenditures and		
Changes in Fund Balance (Budgetary Basis per Exhibit F-1)	\$ 3,628,146	\$ 64,995,331
Reconciliation to Governmental Funds Statements (GAAP):		
Township of Montclair Ordinances and SDA Grants are Recognized as Revenue on the Budgetary Basis when Awarded but are not Recognized on the GAAP Basis until Expended and Submitted for Reimbursement	<u>460,534</u>	<u>(2,825,008)</u>
Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds (GAAP Basis per Exhibit B-2)	<u>\$ 4,088,680</u>	<u>\$ 62,170,323</u>

E. Cash and Cash Equivalents

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Interfund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. 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 funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts

As of June 30, 2024, the students' accounts receivable in the food service fund are stated net of an allowance for estimated uncollectible amount of \$306,577. The method used for estimating the allowance is based on analysis of aging receivables and historical data.

H. Encumbrances

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 restricted, committed and/or assigned fund balances at the fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue 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.

I. Short-term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, 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. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Useful Life</u>
Buildings and Building Improvements	50 years
Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

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

L. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have a portion of their salaries withheld as summer savings until year-end. New Jersey statutes require that these earned but not disbursed amounts be retained in a separate bank account. As of June 30, 2024, the balance in the summer savings was paid to the District employees. In addition, the District had \$109,962 in accrued salaries and wages for other purposes as of June 30, 2024.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

O. Long Term Liabilities

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

P. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for 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.

In the district-wide *Statement of Net Position*, 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.

Q. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue

Unearned revenue in the Special Revenue Fund represents cash which has been received but not yet earned. See Note 1(D) regarding the Special Revenue Fund.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Fund Balance Appropriated

General Fund: Of the \$9,028,738 General Fund fund balance at June 30, 2024, \$1,923,511 is assigned for encumbrances; \$988,363 is restricted in the capital reserve; \$184,278 is restricted in the maintenance reserve; \$436,873 is restricted for unemployment compensation; \$737,760 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2025, \$81,976 is restricted for workers compensation, \$2,667,739 is assigned and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2025 and \$2,008,238 is unassigned which is \$856,072 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the June state aid payments which were not recognized on the GAAP basis at June 30, 2025.

Special Revenue Fund: Of the \$133,382 Special Revenue Fund fund balance at June 30, 2024, \$345,501 is restricted for Student Activities and there is a deficit fund balance of \$212,119 which is unassigned. This deficit is due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2025 on a GAAP basis.

Capital Projects Fund: The Capital Projects Fund has \$62,170,323 of which \$60,970,931 is restricted fund balance, \$950,000 is assigned and \$249,392 is committed fund balance at June 30, 2024 which is \$2,825,009 less on the GAAP basis due to the SDA grants and Township receivables not recognized on the GAAP basis.

Debt Service Fund: The District has \$3,680,798 of restricted fund balance in Debt Service Fund at June 30, 2024 of which \$1,325,554 is restricted for subsequent year's expenditures.

Calculation of Excess Surplus: The designation for Restricted 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 restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess surplus at June 30, 2024 as noted above.

P.L. 2004, 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 two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

U. Net Position

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and inflows of resources related to pensions at June 30, 2024.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

U. Net Position (Cont'd)

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization and subscription assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

V. Deficit Net Position/Fund Balance

The District has a deficit in unrestricted net position of \$22,725,651 in governmental activities, which is primarily a result of compensated absences, accrued interest and ESIP lease payable, net pension liability and deferred inflows of resources related to pensions, offset by deferred outflows of resources related to pensions. The District has a deficit in unassigned fund balance of \$212,119 in the Special Revenue Fund as of June 30, 2024 as a result of the last two state aid payments that are not recognized on a GAAP basis. The District had a (\$79,897) deficit unrestricted position in its business type activities, which is primarily due to the increased expenditures in Food Service Fund. These deficits do not mean that the District is facing financial difficulties and are a permitted practice by generally accepted accounting principles.

W. Fund Balance Restrictions, Commitments and Assignments

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed or assigned.

Fund balance restrictions have been established for a capital reserve, excess surplus, maintenance reserve, unemployment compensation and workers compensation in the General Fund, student activities in the Special Revenue Fund and for capital projects in the Capital Projects Fund and for the Debt Service Fund.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Fund Balance Restrictions, Commitments and Assignments (Cont'd)

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2024.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for fiscal year-end encumbrances and amounts designated for subsequent years expenditures in the General Fund and for arbitrage rebate in the Capital Projects Fund at June 30, 2024.

X. Revenue - Exchange and Non-exchange Transactions

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

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

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

Y. Operating Revenue and Expenses

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Funds. For the School District, these revenues are for food service, provisional teacher, and summer programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Funds.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Z. Management Estimates

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

AA. Pensions

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 State of New Jersey Public Employees' Retirement System (PERS), the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and the Board of Education Employees' Pension Fund of Essex County (the Plan) and additions to/deductions from the PERS's, the TPAF's and the Plan's net position have been determined on the same basis as they are reported by the PERS, the TPAF and the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the section of this Note on investments.

Custodial Credit Risk - The District does not have a policy with respect to custodial credit risk. However, the District ensures that District funds are only deposited in financial institutions in which New Jersey school districts are permitted to invest their funds.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

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, and

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.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

As of June 30, 2024, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking and Savings Accounts	\$ 75,000,945	\$ 2,079,598	\$ 77,080,543

During the period ended June 30, 2024, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2024, was \$77,080,543 and the bank balance was \$80,980,471.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Montclair Township School District by inclusion of \$1 on September 30, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Balance July 1, 2023	\$ 896,270
Increased by:	
Transferred from Capital Projects Fund for Completed Projects	51,675
Interest Earnings	40,418
Balance June 30, 2024	<u>\$ 988,363</u>

The balance in the capital reserve at June 30, 2024 did not exceed the balance of the local support costs of uncompleted capital projects in the District's approved LRFP.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$500,000 was established by the Montclair Township School District on June 18, 2012. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. 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 maintenance reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Balance July 1, 2023	<u>\$ 184,278</u>
Balance June 30, 2024	<u><u>\$ 184,278</u></u>

NOTE 6: TRANSFERS TO/FROM CAPITAL OUTLAY

During the year ended June 30, 2024, there was \$39,544 in transfers to the capital outlay accounts. \$39,539 was transferred to equipment which did not require approval from the County Superintendent. The District had \$5 in transfers to capital outlay for facilities acquisition and construction services for which required county approval was obtained.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Increases	Adjustment/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Sites (Land)	\$ 5,187,355			\$ 5,187,355
Construction in Progress	5,836,756	\$ 9,776,725	\$ (1,343,939)	14,269,542
Total Capital Assets Not Being Depreciated	11,024,111	9,776,725	(1,343,939)	19,456,897
Capital Assets Being Depreciated:				
Buildings and Building Improvements	97,696,988	380,848	1,343,939	99,421,775
Machinery and Equipment	10,612,743	39,540		10,652,283
Total Capital Assets Being Depreciated	108,309,731	420,388	1,343,939	110,074,058
Governmental Activities Capital Assets	119,333,842	10,197,113		129,530,955
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(34,269,524)	(1,965,368)		(36,234,892)
Machinery and Equipment	(6,544,011)	(530,316)		(7,074,327)
	(40,813,535)	(2,495,684)		(43,309,219)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$78,520,307</u>	<u>\$ 7,701,429</u>	<u>\$ -0-</u>	<u>\$86,221,736</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 576,577	\$ 26,817		\$ 603,394
Less Accumulated Depreciation	(496,156)	(36,507)		(532,663)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 80,421</u>	<u>\$ (9,690)</u>	<u>\$ -0-</u>	<u>\$ 70,731</u>

The District had active construction projects totaling \$64,045,332 with unexpended balances of \$43,725,381 as of June 30, 2024 and \$20,319,951 in outstanding construction encumbrances at June 30, 2024.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 42,842
Student & Instruction Related Services	12,223
General Administrative Services	74,993
School Administrative Services	8,519
Administration Information Technology	143,505
Plant Operations and Maintenance	172,151
Pupil Transportation	17,749
Unallocated	2,023,702
	<u>\$ 2,495,684</u>

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 06/30/23	Accrued	Retired	Balance 06/30/24	Due within 1 Year
Compensated Absences Payable	\$ 2,985,594	\$ 965,197		\$ 3,950,791	
Bonds Payable	70,000,000			70,000,000	\$ 2,100,000
Arbitrage Rebate Payable		950,000		950,000	
Net Pension Liability:					
PERS	23,359,197		\$ 1,384,633	21,974,564	
Essex County	903,393	101,216		1,004,609	
Financed Purchases Payable	9,758,416		1,058,802	8,699,614	766,219
	<u>\$ 107,006,600</u>	<u>\$ 2,016,413</u>	<u>\$ 2,443,435</u>	<u>\$ 106,579,578</u>	<u>\$ 2,866,219</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated by the Debt Service Fund.

On February 1, 2023, the District issued debt in the amount of \$70,000,000 with interest rates ranging from 3.00-4.00% with consent of the taxpayers through a referendum to repair the infrastructure of its buildings. The bonds finally mature on January 15, 2043.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

The Districts has bonds outstanding of June 30, 2024 as follows:

<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
School Bonds	1/15/2043	3.00% - 4.00%	<u>\$ 70,000,000</u>

Principal and interest due on School Bonds outstanding are as follows:

<u>Fiscal Year</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 2,100,000	\$ 2,346,269	\$ 4,446,269
2026	2,990,000	2,283,269	5,273,269
2027	3,075,000	2,193,569	5,268,569
2028	3,170,000	2,101,319	5,271,319
2029	3,265,000	2,006,219	5,271,219
Thereafter:			
2030-3034	17,910,000	8,500,494	26,410,494
2035-2039	20,690,000	5,547,531	26,237,531
2040-2043	16,800,000	1,680,000	18,480,000
	<u>\$ 70,000,000</u>	<u>\$ 26,658,670</u>	<u>\$ 96,658,670</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2024, the Board has \$117,730,769 of bonds authorized but not issued.

C. Financed Purchases Payable:

The District has a financed purchases agreement for school buses, maintenance vehicles and equipment totaling \$360,000 of which \$360,000 has been liquidated as of June 30, 2024. The equipment finance purchase agreement lease was for four years with the final payment occurring in fiscal year 2023-24.

On December 22, 2020, the District entered into a \$10,720,000 energy savings improvement program ("ESIP") financed purchase with an interest rate of 1.501%. The financed purchase matures on December 15 and June 15 commencing December 15, 2021 through December 15, 2036.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

C. Financed Purchases Payable: (Cont'd)

The ESIP financed purchase is funding the implementation of the District's ESIP, entailing various permitted energy conservation measures under the ESIP Law. This includes installation of interior and exterior lighting upgrades and replacements, lighting occupancy sensors, energy management systems, HVAC systems and control systems, building exterior weatherization improvements and small-scale solar PV systems.

The ESIP Law (P.L. 2009, C. 4) allowed the District to enter into the ESIP financed purchase without voter approval to fund certain improvements that result in reduced energy use, facilities for production of renewable energy or water conservation improvements (collectively, "ECMs"); provided that the value of the savings will cover the cost of the ECMs. The ESIP law provides, however, that notwithstanding any law to the contrary, the ESIP financed purchase shall not be excepted from any budget or school levy limitation otherwise provided by law, and shall be funded through appropriations in the General Fund annual budget, on the basis that the costs of implemented energy conservation measures should be fully offset by energy savings to be generated by such measures (on both an annual and aggregate basis).

The following is a schedule of the future minimum financed purchases payments under these financed purchases at June 30, 2024.

<u>Fiscal Year</u>	<u>Amount</u>
2025	\$ 893,925
2026	766,218
2027	781,008
2028	680,689
2029	696,161
2030-2035	4,522,174
2036-2037	<u>1,235,925</u>
	9,576,100
Less: Amount Representing Interest	<u>(876,486)</u>
Present Value Net of Minimum Financed Purchases Payments	<u>\$ 8,699,614</u>

The current portion of the financed purchases payable at June 30, 2024 is \$766,219 and the long-term portion is \$7,933,395. Financed purchases payable will be liquidated by the General Fund.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in current and long-term portions. The entire compensated absences balance of \$3,950,790 in the governmental funds is a long-term portion. Compensated absences will be liquidated through the General Fund.

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, 2024, no liability existed for compensated absences in the Enterprise Funds.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

E. Arbitrage Rebate Liability

The District is subject to liability for arbitrage rebate to the federal government relative to its \$70,000,000 Bonds dated February 1, 2023. The long-term portion for arbitrage rebate liability is \$950,000. The arbitrage rebate liability will be liquidated through the Debt Service Fund.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in current and long-term portions and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$-0- and the long-term portion is \$21,974,564. See Note 9 for further information on the PERS.

The Board of Education Employee's Pension Fund of Essex County's net pension liability of the governmental fund types is recorded in current and long-term portions and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$-0- and the long-term portion is \$1,004,609. See Note 9 for further information on the Board of Education Employee's Pension Fund of Essex County.

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a). A small number of the District's retirees participate in the Board of Education Employees' Pension Fund of Essex County (the "Plan").

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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. The following represents the membership tiers for PERS:

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65.

Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$2,032,557 for the current fiscal year. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$68,530 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% effective July 1, 2018.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation 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 statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2024, the District reported a liability of \$21,974,564 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.152%, which was a decrease of 0.003% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized an actual pension benefit of \$813,430 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$68,530 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources on the following page.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:	2019	5.21		\$ (119,365)
	2020	5.16		(1,086,109)
	2021	5.13	\$ 48,274	
	2022	5.04		(126,279)
	2023	5.08		
Subtotal			<u>48,274</u>	<u>(1,331,753)</u>
Changes in Proportion:	2019	5.21		(10,737)
	2020	5.16		(188,237)
	2021	5.13		(288,431)
	2022	5.04		(357,008)
	2023	5.08		(411,331)
Subtotal			<u></u>	<u>(1,255,744)</u>
Difference Between Expected and Actual Experience:	2019	5.21	9,124	
	2020	5.16	60,511	
	2021	5.13		(38,390)
	2022	5.04		(51,435)
	2023	5.08	140,470	
Subtotal			<u>210,105</u>	<u>(89,825)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:	2020	5.00	340,306	
	2021	5.00	(2,830,138)	
	2022	5.00	3,367,177	
	2023	5.00	(776,149)	
Subtotal			<u>101,196</u>	<u></u>
District Contribution Subsequent to the Measurement Date	2023	1.00	<u>1,955,633</u>	<u></u>
			<u>\$ 2,315,208</u>	<u>\$ (2,677,322)</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd).

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions
(Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and District contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2024	\$ (1,170,911)
2025	(835,802)
2026	616,498
2027	(518,955)
2028	(408,577)
	<u>\$ (2,317,747)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 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 a 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and 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 PERS' target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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 collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the 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:

	June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 28,606,206	\$ 21,974,564	\$ 16,330,159

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for their respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2024, the State of New Jersey contributed \$22,266,094 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$6,841,222.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was \$278,470,988. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions
(Cont'd)

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.545%, which was an increase of 0.0037% from its proportion measured as of June 30, 2022.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>278,470,988</u>
Total	<u>\$ 278,470,988</u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$6,841,222 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following source found on the following page.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions:	2016	8.30	\$ 391,340,712	
	2017	8.30		\$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	82,066,487	
			<u>1,278,925,078</u>	<u>14,657,999,241</u>
Difference Between Expected and Actual Experience:	2016	8.30		4,866,656
	2017	8.30	37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	169,161,907	
			<u>658,340,412</u>	<u>83,374,071</u>
Net Difference Between Projected and Plan Investments:	2020	5.00	241,395,539	
	2021	5.00	(1,777,316,905)	
Actual Investment Earnings on Pension Plan Investments:	2022	5.00	2,489,500,994	
	2023	6.00	(477,296,442)	
			<u>476,283,186</u>	
			<u>\$ 2,413,548,676</u>	<u>\$ 14,741,373,312</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	56,606,524
	<u>\$ (12,327,824,636)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 4.25% based on years of service
Investment Rate of Return	7.00%

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 a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and 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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension plan investments was applied to all projected payments in determining the total pension liability.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the State's proportionate share of the net pension liability associated with the District 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:

	June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 330,133,007	\$ 278,470,988	\$ 240,640,082

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$165,967 for the fiscal year ended June 30, 2024. Employee contributions to DCRP amounted to \$304,328 for the fiscal year ended June 30, 2024.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

D. Board of Education Employees' Pension Fund of Essex County (the "Plan")

Plan Description

The Board of Education Employees' Pension Fund of Essex County (the "Plan") is a multiple-employer contributory defined benefit plan that provides pension and life insurance benefits to employees of the Boards of Education within Essex County who were employed before July 1, 1981, except temporary employees and employees eligible for coverage under any New Jersey State administered pension plan created under New Jersey laws.

The Plan became effective April 16, 1929. Pursuant to New Jersey Public Law enacted in 1980, members were given the option to transfer their membership in the Plan to the PERS. Approximately 2,775 members, 58% of the membership, elected to transfer to PERS effective July 1, 1981. The Plan is closed to new entrants.

The Plan is not subject to filing requirements of the Employee Retirement Income Security Act of 1974 (ERISA) and members' accrued benefits are not guaranteed by the Pension Benefit Guaranty Corporation (PBGC).

Plan Membership

At June 30, 2024, pension plan membership consisted of the following:

	<u>2024</u>
Retirees and beneficiaries currently receiving benefits	359
Active Fund members	1
Inactive Fund members	<u>4</u>
Total	<u>364</u>
Number of participating employers (Boards)	<u>18</u>

Benefits Provided

The Plan provides for service retirement, special Veterans benefit, early retirement, disability retirement and deferred (vested) retirement.

Contributions

Contributions are made by the members at 3%, the maximum contribution rate required by statute, of their annual compensation. Contributions made by the Boards are determined annually based upon actuarial valuations. The Boards are required to reimburse the Plan for administrative expenses and the cost of living increases associated with its retirees. Plan provisions and contribution requirements are established by New Jersey state statute and may be amended by the State of New Jersey. District contributions to the Plan amounted to \$58,185 for fiscal year 2024.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

D. Board of Education Employees' Pension Fund of Essex County (the "Plan") (Cont'd)

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

At June 30, 2024, the District reported a liability of \$1,004,609 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 used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportion was 2.8933%, which was an increase of 0.0242% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2024, the District recognized a pension expense of \$203,342. At June 30, 2024, the District reported deferred outflows and inflows of resources related to pension from the sources noted in the below table.

	<u>Amortization Period</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments:			
2020	5 years	\$ (11,245)	
2021	5 years	(82,627)	
2022	5 years	209,366	
2023	5 years	21,957	
2024	5 years	(30,713)	
Subtotal		106,738	
District Contribution Subsequent to the Measurement Date	1 year	55,000	
		<u>\$ 161,738</u>	<u>\$ -0-</u>

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension (excluding the District contribution subsequent to the measurement date) expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2025	\$ 16,577
2026	27,822
2027	69,135
2028	(653)
Thereafter	(6,143)
	<u>\$ 106,738</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

D. Board of Education Employees' Pension Fund of Essex County (the "Plan") (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2024. This actuarial valuation used the actuarial assumptions on the following page, applied to all periods in the measurement.

Inflation Rate	2.00%
Salary Increases	3.00%
Net Investment Rate of Return	5.00%, net of pension plan investment expenses, including inflation
Cost of Living Adjustments ("COLA")	2.00%

Mortality Rates:

Active members, inactive members and healthy retirees:

110% of the 2010 Public Sector General Amount-Weighted Mortality Tables with generational projection with Scale MP-2018.

Disabled retirees:

110% of 2010 Public Sector Non-Safety Amount-weighted Mortality Table with generational projection with Scale MP-2018.

The active retirement rates are 20% at ages 66 through 79 and 100% at age 80.

Long Term Expected Rate of Return

The long-term expected rate of return on Plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage, adding expected inflation. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Fixed Income	2.20%
U.S. Domestic Equity	7.00%

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

D. Board of Education Employees' Pension Fund of Essex County (the "Plan") (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 5.00% for the fiscal year ended June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the actuarially determined amount, including the reimbursement of administrative expenses and COLA payments. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments for current Plan members. Therefore, the long-term expected rate of return on pension Plan investments was applied to all periods of 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 page presents the District's proportionate share of the collective net pension liability as of June 30, 2024 calculated using the discount rate of 5.00%, 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.

June 30, 2024			
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
District's proportionate share of the Net Pension Liability	\$ 1,275,336	\$ 1,004,609	\$ 768,493

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a "special funding situation", as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB 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 Benefits 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 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Retiree Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	152,383
Active Plan Members	<u>217,212</u>
Total	<u><u>369,595</u></u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employee Plan (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022 which was rolled forward to June 30, 2023.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the actuarial assumptions on the following page, applied to all periods in the measurement.

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 4.25% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active employees are considered to participate in the Plan upon retirement.

Mortality Rates

Pre-retirement 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. Post-retirement 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 were 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.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employee Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

Changes in the State's Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 224,167,289
Changes for Year:	
Service Cost	9,343,261
Interest Cost	8,206,107
Difference Between Expected and Actual Experience	(2,996,042)
Changes in Assumptions	469,639
Member Contributions	210,293
Gross Benefit Payments	<u>(6,396,794)</u>
Net Changes	<u>8,836,464</u>
Balance at June 30, 2023	<u>\$ 233,003,753</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employee Plan (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022 calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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:

	June 30, 2023		
	At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
Total OPEB Liability Attributable to the District	\$ 273,156,899	\$ 233,003,753	\$ 200,765,438

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023 calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 193,429,038	\$ 233,003,753	\$ 284,787,370

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

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$6,740,088 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2023, the State deferred outflows of resources and deferred inflows of resources related to OPEB attributable to the District is from the following sources:

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employee Plan (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 8,396,004
	2018	9.51		8,690,618
	2019	9.29	\$ 1,278,527	
	2020	9.24	31,257,851	
	2021	9.24	177,910	
	2022	9.13		47,214,084
	2023	9.30	419,140	
			<u>33,133,428</u>	<u>64,300,706</u>
Differences between Expected and Actual Experience	2018	9.51		8,215,338
	2019	9.29		15,048,333
	2020	9.24	29,133,544	
	2021	9.24		34,213,526
	2022	9.13	4,862,372	
	2023	9.30		3,893,668
			<u>33,995,916</u>	<u>61,370,865</u>
Changes in Proportion	N/A	N/A	6,320,650	2,650,149
			<u>\$ 73,449,994</u>	<u>\$ 128,321,720</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB attributable to the District, excluding changes in proportion, will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2024	\$ (11,619,670)
2025	(11,619,670)
2026	(10,099,134)
2027	(5,954,066)
2028	(1,218,726)
Total Thereafter	<u>(18,030,961)</u>
	<u>\$ (58,542,227)</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains its health and dental coverages through Cigna and Delta Dental, respectively.

A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023-2024	\$ 23,238	\$ 337,869	\$ 431,168	\$ 436,873
2022-2023	17,037	290,529	393,973	506,934
2021-2022	668	366,281	262,209	593,341

Health Benefits

The District is self-insured for health benefits (medical, prescription and dental) to the extent of the amounts deductible from stop loss reimbursement. The stop loss policy reimburses the District for individual claimants who exceed a specific deductible which is \$125,000/person.

Aetna is the District’s claims administrator.

The District has recorded an accrued liability for insurance claims of \$2,000,000 which includes an estimate for incurred but not reported claims for medical, prescription and dental claims as well as a risk corridor reserve which it believes is sufficient to meet these liabilities.

Property and Liability Insurance

The District is a member of the New Jersey Schools Insurance Group (“NJSIG”) and maintains insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

NJSIG 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 for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for NJSIG are elected.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

As a member of NJSIG, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of NJSIG were to be exhausted, members would become responsible for their respective shares of the liabilities. NJSIG can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The June 30, 2024 audit report for the Fund is not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2023 is as follows:

Total Assets	<u>\$ 429,049,188</u>
Net Position	<u>\$ 201,308,725</u>
Total Revenue	<u>\$ 160,069,780</u>
Total Expenses	<u>\$ 141,165,428</u>
Change in Net Position	<u>\$ 16,304,414</u>
Member Dividends	<u>\$ 2,599,938</u>

Financial statements for NJSIG are available at the Executive Director's Office:

New Jersey Schools Insurance Group
6000 Midlantic Drive, Suite 300 North
Mount Laurel, NJ 08054
(609) 386-6060

NOTE 12. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 130,794	\$ 14,667
Special Revenue Fund		42,607
Capital Projects Fund		3,767,723
Debt Service Fund	3,679,536	
Proprietary Funds - Food Service	<u>14,667</u>	
	<u>\$ 3,824,997</u>	<u>\$ 3,824,997</u>

The General Fund interfund payable is for grant funds received in the General Fund not turned over to the Food Service Fund at year end. The Special Revenue Fund interfund payable to the General Fund is for timing between requests and reimbursements of grant funds from the State. The Capital Projects Fund interfund payable to the General Fund and Debt Service Fund represents the interest earnings and unexpended balances cancelled that were not turned over by year end.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 13. 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). These plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln National Life Insurance Company	MetLife Investors
Valic	AXA Equitable

NOTE 14. COMMITMENTS AND CONTINGENCIES

Grant Programs

The school district participates in state and federally assisted grant program. The programs are subject to program compliance audits by grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to 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 District is also periodically involved in claims and lawsuits arising from operations. The District estimates that any potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2024, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 1,923,511	\$ 883,298	\$ 20,319,951	\$ 23,126,760

On the District's Governmental Funds Balance Sheet as of June 30, 2024, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$883,298 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on the GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund. The \$20,319,951 of fiscal year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the committed and restricted fund balances on the GAAP basis at June 30, 2024.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 15. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal, state and local governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 16. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten- day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined mutually agreed-upon schedule.

NOTE 17. ACCOUNTS PAYABLE

At June 30, 2024, there were accounts payable as detailed below in the governmental funds and proprietary funds.

	<u>Governmental Funds</u>		<u>District Contribution</u>	<u>Total</u>	<u>Business- Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Subsequent to Measurement Date</u>	<u>Governmental Activities</u>	<u>Enterprise Funds</u>
Accrued Salaries and Wages	\$ 54,834			\$ 54,834	\$ 55,128
Payroll Deductions and Withholdings	726,882			726,882	
Vendors	1,168,275	\$ 764,973		1,933,248	543,143
Due to Other Governmental Units			\$ 55,000	55,000	
Due to State of New Jersey			1,955,633	1,955,633	
	<u>\$ 1,949,991</u>	<u>\$ 764,973</u>	<u>\$ 2,010,633</u>	<u>\$ 4,725,597</u>	<u>\$ 598,271</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Township of Montclair recognized revenue in the amount of \$5,941,832 from thirteen payments in lieu of taxes ("PILOT") agreements. The taxes which would have been paid on these properties for 2023 without the abatement would have been \$7,545,555.94 of which \$4,286,233 would have been for the local school tax.

**SCHEDULES OF
REQUIRED SUPPLEMENTARY INFORMATION**

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's proportion of the net pension liability	0.1834481391%	0.1874481079%	0.1825392922%	0.1669622573%	0.1659772101%
District's proportionate share of the net pension liability	\$ 34,346,509	\$ 42,078,344	\$ 54,062,903	\$ 38,866,145	\$ 32,680,085
District's covered employee payroll	\$ 12,540,380	\$ 12,661,086	\$ 11,630,446	\$ 11,582,100	\$ 11,566,050
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	273.89%	332.34%	464.84%	335.57%	282.55%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,			
	2020	2021	2022	2023
District's proportion of the net pension liability	0.1648010734%	0.1610819237%	0.1578967963%	0.1547850650%
District's proportionate share of the net pension liability	\$ 29,694,653	\$ 26,268,249	\$ 18,705,243	\$ 23,359,197
District's covered employee payroll	\$ 11,542,814	\$ 11,540,242	\$ 11,410,819	\$ 11,290,895
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	257.26%	227.62%	163.93%	206.89%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	58.32%	70.33%	62.91%
				194.72%
				65.23%

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 1,512,320	\$ 1,611,551	\$ 1,621,653	\$ 1,557,423	\$ 1,710,502
Contributions in relation to the contractually required contribution	(1,512,320)	(1,611,551)	(1,621,653)	(1,557,423)	(1,710,502)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 12,661,086	\$ 11,630,446	\$ 11,582,100	\$ 11,566,050	\$ 11,542,814
Contributions as a percentage of covered employee payroll	11.94%	13.86%	14.00%	13.47%	14.82%

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,			
	2020	2021	2022	2023
Contractually required contribution	\$ 1,607,398	\$ 1,762,157	\$ 1,849,155	\$ 2,004,407
Contributions in relation to the contractually required contribution	(1,607,398)	(1,762,157)	(1,849,155)	(2,004,407)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 11,540,242	\$ 11,410,819	\$ 11,290,895	\$ 11,285,199
Contributions as a percentage of covered employee payroll	13.93%	15.44%	16.38%	17.76%
				17.91%

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
State's proportion of the net pension liability attributable to the District	0.5211247883%	0.5122013557%	0.5299747611%	0.5412744521%
State's proportionate share of the net pension liability attributable to the District	\$ 278,524,239	\$ 323,733,129	\$ 416,911,891	\$ 364,946,753
District's covered employee payroll	\$ 52,752,552	\$ 54,991,616	\$ 54,689,497	\$ 56,285,168
State's proportionate share of the net pension liability attributable to the District as a percentage of District's covered employee payroll	527.98%	588.70%	762.33%	648.39%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%
				585.77%
				26.49%

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,			
	2020	2021	2022	2023
State's proportion of the net pension liability attributable to the District	0.5417765739%	0.5448232147%	0.5243481699%	0.5419487140%
State's proportionate share of the net pension liability attributable to the District	\$ 332,493,397	\$ 358,759,531	\$ 252,081,372	\$ 279,615,273
District's covered employee payroll	\$ 57,138,745	\$ 59,042,411	\$ 61,800,696	\$ 61,501,957
State's proportionate share of the net pension liability attributable to the District as a percentage of District's covered employee payroll	581.91%	607.63%	407.89%	454.64%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	24.60%	35.52%	32.29%
				453.73%
				34.68%

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 14,987,219	\$ 19,766,822	\$ 31,325,127	\$ 25,281,663	\$ 19,739,413
Contributions in relation to the contractually required contribution	(2,769,148)	(4,243,184)	(5,875,393)	(7,838,111)	(10,655,434)
Contribution deficiency/(excess)	\$ 12,218,071	\$ 15,523,638	\$ 25,449,734	\$ 17,443,552	\$ 9,083,979
District's covered employee payroll	\$ 54,991,616	\$ 54,689,497	\$ 56,285,168	\$ 57,804,767	\$ 57,138,745
Contributions as a percentage of covered employee payroll	5.04%	7.76%	10.44%	13.56%	18.65%

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,			
	2020	2021	2022	2023
Contractually required contribution	\$ 19,611,349	\$ 22,309,195	\$ 5,931,585	\$ 7,525,228
Contributions in relation to the contractually required contribution	(11,950,060)	(15,242,167)	(22,310,165)	(22,307,401)
Contribution deficiency/(excess)	\$ 7,661,289	\$ 7,067,028	\$ (16,378,580)	\$ (14,782,173)
District's covered employee payroll	\$ 59,042,411	\$ 61,800,696	\$ 61,501,957	\$ 61,373,705
Contributions as a percentage of covered employee payroll	20.24%	24.66%	36.28%	36.35%
				\$ 64,230,486
				\$ (15,424,872)
				34.67%

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
BOARD OF EDUCATION EMPLOYEES' PENSION FUND OF ESSEX COUNTY
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's Proportion of the Net Pension Liability	2.3974085%	2.5248930%	2.4391226%	2.5850148%	2.6108486%
District's Proportionate Share of the Net Pension Liability	\$ 923,455	\$ 913,972	\$ 697,105	\$ 812,380	\$ 871,261
District's Covered Employee Payroll	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position (*) as a Percentage of the Total Pension Liability	76.05%	75.39%	79.51%	77.36%	75.78%
* - Fiduciary Net Position Excludes: Amount Designated for Insurance Benefits	\$ 19,628,046	\$ 19,972,514	\$ 21,556,614	\$ 22,656,498	\$ 24,050,359

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
BOARD OF EDUCATION EMPLOYEES' PENSION FUND OF ESSEX COUNTY
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2020	2021	2022	2023	2024
District's Proportion of the Net Pension Liability	2.6889163%	2.6085039%	2.8379323%	2.8691088%	2.8933884%
District's Proportionate Share of the Net Pension Liability	\$ 715,652	\$ 562,017	\$ 893,093	\$ 903,393	\$ 1,004,609
District's Covered Employee Payroll	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position (*) as a Percentage of the Total Pension Liability	79.52%	83.63%	74.53%	73.52%	70.25%

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
BOARD OF EDUCATION EMPLOYEES' PENSION FUND OF ESSEX COUNTY
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually Required Contribution	\$ 140,315	\$ 131,301	\$ 100,564	\$ 101,416	\$ 91,680
Contributions in Relation to the Contractually Required Contribution	<u>(140,315)</u>	<u>(131,301)</u>	<u>(100,564)</u>	<u>(101,416)</u>	<u>(91,680)</u>
Contribution Deficiency/(Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Contributions as a Percentage of Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year Ending June 30,				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually Required Contribution	\$ 97,009	\$ 121,457	\$ 130,832	\$ 127,820	\$ 58,185
Contributions in Relation to the Contractually Required Contribution	<u>(97,009)</u>	<u>(121,457)</u>	<u>(130,832)</u>	<u>(127,820)</u>	<u>(58,185)</u>
Contribution Deficiency/(Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Contributions as a Percentage of Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL
OPEB LIABILITY ATTRIBUTABLE TO THE DISTRICT AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	Fiscal Years Ending June 30,						
	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 10,369,245	\$ 8,618,450	\$ 7,533,102	\$ 7,788,747	\$ 14,002,863	\$ 12,250,978	\$ 9,343,261
Interest Cost	7,346,466	8,534,408	7,929,403	6,612,864	6,970,954	5,940,680	8,206,107
Change of Benefit Terms					(286,023)		
Difference Between Expected and Actual Experience		(21,290,781)	(29,125,963)	53,580,575	(48,585,817)	3,083,291	(2,996,042)
Changes in Assumptions	(30,174,830)	(22,959,107)	2,738,604	55,104,510	265,116	(60,134,887)	469,639
Member Contributions	198,154	184,898	167,134	159,182	178,213	188,775	210,293
Gross Benefit Payments	(5,381,316)	(5,349,818)	(5,638,264)	(5,251,804)	(5,491,159)	(5,884,420)	(6,396,794)
Net Change in Total OPEB Liability	(17,642,281)	(32,261,950)	(16,395,984)	117,994,074	(32,945,853)	(44,555,583)	8,836,464
Total OPEB Liability - Beginning	249,974,866	232,332,585	200,070,635	183,674,651	301,668,725	268,722,872	224,167,289
Total OPEB Liability - Ending	<u>\$ 232,332,585</u>	<u>\$ 200,070,635</u>	<u>\$ 183,674,651</u>	<u>\$ 301,668,725</u>	<u>\$ 268,722,872</u>	<u>\$ 224,167,289</u>	<u>\$ 233,003,753</u>
District's Covered Employee Payroll *	\$ 66,319,943	\$ 67,867,268	\$ 69,370,817	\$ 68,681,159	\$ 70,582,653	\$ 73,211,515	\$ 72,792,852
Total OPEB Liability as a Percentage of Covered Employee Payroll	350%	295%	265%	439%	381%	306%	320%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2023 are based on the payroll on the June 30, 2016 - 2022 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

There were none.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

C. BOARD OF EDUCATION EMPLOYEES' PENSION FUND OF ESSEX COUNTY

Benefit Changes

There were none.

Changes of Assumptions

There were none.

D. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

D. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

BUDGETARY COMPARISON SCHEDULES

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 128,008,540		\$ 128,008,540	\$ 128,008,540	
Tuition - From Individuals	30,000		30,000	1,536	\$ (28,464)
Interest Earned on Maintenance Reserve	100		100		(100)
Interest Earned on Capital Reserve				40,418	40,418
Rents and Royalties	100,000		100,000	81,943	(18,057)
Unrestricted Miscellaneous Revenue	165,000		165,000	867,789	702,789
Total - Local Sources	128,303,640		128,303,640	129,000,226	696,586
State Sources:					
Transportation Aid	1,175,389		1,175,389	1,175,389	
Special Education Categorical Aid	6,504,664		6,504,664	6,504,664	
Adjustment Aid	322,539		322,539	322,539	
Security Aid	755,225		755,225	755,225	
Extraordinary Aid	1,700,000		1,700,000	3,422,088	1,722,088
Nonpublic Transportation Aid				103,740	103,740
Securing Our Children's Future Bond Act				241,416	241,416
On-Behalf TPAF Contributions (Non-Budgeted):					
Post-Retirement Medical Benefits				6,129,127	6,129,127
Pension				22,266,094	22,266,094
Non-Contributory Insurance				253,933	253,933
Long-Term Disability Insurance				7,475	7,475
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				4,570,322	4,570,322
Total State Sources	10,457,817		10,457,817	45,752,012	35,294,195
REVENUES:					
Federal Sources:					
Medicaid Reimbursement	96,803		96,803	41,231	(55,572)
F.E.M.A. - Hurricane Ida Relief				64,597	64,597
Total Federal Sources	96,803		96,803	105,828	9,025
TOTAL REVENUES	138,858,260		138,858,260	174,858,066	35,999,806

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 2,168,652	\$ 158,477	\$ 2,327,129	\$ 2,327,127	\$ 2
Grades 1-5 - Salaries of Teachers	14,131,316	1,178,673	15,309,989	15,309,981	8
Grades 6-8 - Salaries of Teachers	9,093,593	973,479	10,067,072	10,067,064	8
Grades 9-12 - Salaries of Teachers	10,075,055	1,558,629	11,633,684	11,633,679	5
Regular Programs - Home Instruction:					
Salaries of Teachers	150,000	(55,481)	94,519	94,519	
Purchased Professional-Educational Services	119,655	(17,025)	102,630	91,784	10,846
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	715,055	(32,668)	682,387	682,387	
Other Purchased Services (400-500 Series)	344,392	(28,897)	315,495	307,201	8,294
General Supplies	1,968,144	(235,932)	1,732,212	1,515,586	216,626
Textbooks	224,702	42,353	267,055	257,982	9,073
Total Regular Programs - Instruction	38,990,564	3,541,608	42,532,172	42,287,310	244,862
Special Education - Instruction:					
Learning and/or Language Disabilities - Mild/Moderate:					
Salaries of Teachers	621,689	105,487	727,176	727,176	
General Supplies	3,500	(1,477)	2,023		2,023
Total Learning and/or Language Disabilities - Mild/Moderate	625,189	104,010	729,199	727,176	2,023
Emotional Regulation:					
Salaries of Teachers	253,364	98,639	352,003	352,003	
General Supplies	3,933	(934)	2,999	1,433	1,566
Total Emotional Regulation	257,297	97,705	355,002	353,436	1,566

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Special Education - Instruction: (Cont'd)					
Multiple Disabilities:					
Salaries of Teachers	\$ 218,908	\$ 3,400	\$ 222,308	\$ 222,308	
General Supplies	3,500	(2,149)	1,351	1,351	
Total Multiple Disabilities	222,408	1,251	223,659	223,659	
Resource Room/Resource Center:					
Salaries of Teachers	8,579,415	232,392	8,811,807	8,811,806	\$ 1
General Supplies	10,700	(2,523)	8,177	6,520	1,657
Total Resource Room/Resource Center	8,590,115	229,869	8,819,984	8,818,326	1,658
Autism:					
Salaries of Teachers	495,209	89,726	584,935	584,935	
General Supplies	5,811	(1,179)	4,632	4,242	390
Total Autism	501,020	88,547	589,567	589,177	390
Preschool Disabilities - Full-Time:					
Salaries of Teachers	372,076		372,076	372,076	
General Supplies	5,522	(1,629)	3,893	3,044	849
Total Preschool Disabilities - Full-Time	377,598	(1,629)	375,969	375,120	849
Home Instruction:					
Salaries of Teachers	100,000	10,254	110,254	110,254	
Purchased Professional-Educational Services	60,000	37,364	97,364	84,328	13,036
Total Home Instruction	160,000	47,618	207,618	194,582	13,036
Total Special Education Instruction	10,733,627	567,371	11,300,998	11,281,476	19,522

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 634,190	\$ (181,428)	\$ 452,762	\$ 452,762	
General Supplies	2,000	(846)	1,154	1,154	
Total Basic Skills/Remedial - Instruction	636,190	(182,274)	453,916	453,916	
Bilingual Education - Instruction:					
Salaries of Teachers	260,888	70,947	331,835	331,834	\$ 1
General Supplies	500		500	500	
Total Bilingual Education - Instruction	261,388	70,947	332,335	332,334	1
Vocational Programs - Local - Instruction:					
Salaries of Teachers	330,588	(109,022)	221,566	221,563	3
General Supplies	8,930	(1,200)	7,730	5,516	2,214
Total Vocational Programs - Local - Instruction	339,518	(110,222)	229,296	227,079	2,217
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	319,647	40,243	359,890	359,890	
Total School-Sponsored Cocurricular Activities - Instruction	319,647	40,243	359,890	359,890	
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	1,059,498	82,487	1,141,985	1,141,984	1
Purchased Services (300-500 Series)	130,614	(25,381)	105,233	102,465	2,768
Supplies and Materials	250,908	(47,222)	203,686	148,865	54,821
Other Objects	65,043	26,490	91,533	78,708	12,825
Total School-Sponsored Cocurricular Athletics - Instruction	1,506,063	36,374	1,542,437	1,472,022	70,415

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Before/After School Programs - Instruction:					
Salaries of Teachers	\$ 15,000	\$ (1,447)	\$ 13,553	\$ 13,553	
Total Before/After School Programs - Instruction	15,000	(1,447)	13,553	13,553	
Summer School - Instruction:					
Salaries of Teachers	35,000	(8,156)	26,844	26,844	
General Supplies	5,000	(5,000)			
Total Summer School - Instruction	40,000	(13,156)	26,844	26,844	
Other Supplemental/At-Risk Programs - Instruction:					
Salaries of Teachers	13,000	8,731	21,731	21,731	
Other Salaries for Instruction	25,000		25,000	25,000	
Purchased Professional and Technical Services	45,000	(34,055)	10,945	10,945	
General Supplies		2,758	2,758		\$ 2,758
Total Other Supplemental/At-Risk Programs - Instruction	83,000	(22,566)	60,434	57,676	2,758
Other Supplemental/At-Risk Programs - Support:					
Salaries of Teachers	9,000	(9,000)			
Purchased Professional and Technical Services	17,000	(2,000)	15,000	5,000	10,000
General Supplies		2,758	2,758		2,758
Total Other Supplemental/At-Risk Programs - Support	26,000	(8,242)	17,758	5,000	12,758
Total Other Supplemental/At-Risk Programs	109,000	(30,808)	78,192	62,676	15,516

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Other Instructional Programs - Instruction:					
Salaries	\$ 5,000	\$ (4,694)	\$ 306		\$ 306
Purchased Services (300-500 series)	40,630	(24,140)	16,490	\$ 11,745	4,745
Supplies and Materials	31,009	(29,125)	1,884	973	911
Total Other Instructional Programs - Instruction	76,639	(57,959)	18,680	12,718	5,962
Community Service Programs/Operations:					
Salaries	40,000	(14,095)	25,905	25,905	
Total Community Service Programs/Operations	40,000	(14,095)	25,905	25,905	
Total Instruction	53,067,636	3,846,582	56,914,218	56,555,723	358,495
Undistributed Expenditures:					
Instruction (Tuition):					
Tuition to Other LEAs Within the State - Regular	60,000	3,800	63,800	63,733	67
Tuition to Other LEAs Within the State - Special	231,000	(50,426)	180,574	180,574	
Tuition to County Vocational School Districts - Regular	20,000	(20,000)			
Tuition to County Vocational School Districts - Special	55,000	(16,420)	38,580	28,515	10,065
Tuition to CSSD and Regional Day Schools	105,130	(18,912)	86,218	86,218	
Tuition to Private Schools for the Disabled - Within State	6,398,893	(1,088,228)	5,310,665	5,103,046	207,619
Tuition to Private Schools for the Disabled - Out of State	110,000	(42,921)	67,079	67,079	
Tuition - State Facilities	81,360		81,360	81,360	
Total Undistributed Expenditures - Instruction (Tuition)	7,061,383	(1,233,107)	5,828,276	5,610,525	217,751

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Attendance and Social Work:					
Salaries	\$ 226,925	\$ 12,083	\$ 239,008	\$ 239,007	\$ 1
Purchased Professional and Technical Services	150,000	11,451	161,451	161,451	
Other Purchased Services (400-500 Series)	17,000	(2,000)	15,000	14,460	540
Total Attendance and Social Work	393,925	21,534	415,459	414,918	541
Health Services:					
Salaries	1,585,651	(739)	1,584,912	1,584,912	
Purchased Professional and Technical Services	188,739	65,555	254,294	241,697	12,597
Supplies and Materials	87,120	(14,677)	72,443	56,828	15,615
Total Health Services	1,861,510	50,139	1,911,649	1,883,437	28,212
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	2,776,901	(303,470)	2,473,431	2,473,431	
Purchased Professional - Educational Services	117,896	(52,289)	65,607	63,987	1,620
Supplies and Materials	36,417	(6,044)	30,373	26,083	4,290
Total Other Support Services - Speech, OT, PT & Related Services	2,931,214	(361,803)	2,569,411	2,563,501	5,910
Other Support Services - Students - Extraordinary Services:					
Salaries	6,238,847	561,666	6,800,513	6,800,513	
Purchased Professional - Educational Services	1,329,242	109,547	1,438,789	1,367,621	71,168
Supplies and Materials	10,000	(4,543)	5,457	4,400	1,057
Total Other Support Services - Students - Extraordinary Services	7,578,089	666,670	8,244,759	8,172,534	72,225

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	\$ 2,189,794	\$ (39,647)	\$ 2,150,147	\$ 2,150,147	
Salaries of Secretarial and Clerical Assistants	73,156	4,906	78,062	78,062	
Purchased Professional and Technical Services	9,000	(39)	8,961	8,562	\$ 399
Supplies and Materials	105,405	(39,277)	66,128	62,508	3,620
Total Other Support Services - Students - Guidance	2,377,355	(74,057)	2,303,298	2,299,279	4,019
Other Support Services - Students - Child Study Team:					
Salaries of Other Professional Staff	3,795,944	47,020	3,842,964	3,842,961	3
Salaries of Secretarial and Clerical Assistants	213,777	6,875	220,652	220,652	
Purchased Professional - Educational Services	597,799	299,803	897,602	886,702	10,900
Other Purchased Services (400-500 Series)	13,110	1,281	14,391	10,675	3,716
Supplies and Materials	63,811	326	64,137	52,743	11,394
Total Other Support Services - Students - Child Study Team	4,684,441	355,305	5,039,746	5,013,733	26,013
Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	1,248,538	310,650	1,559,188	1,559,187	1
Salaries of Other Professional Staff	339,283	(301,110)	38,173	381,655	(343,482)
Salaries of Secretarial and Clerical Assistants	160,948		160,948	160,948	
Purchased Professional - Educational Services	15,100	178	15,278	10,662	4,616
Other Purchased Services (400-500 Series)	5,530	61,686	67,216	66,874	342
Supplies and Materials	28,299	(2,105)	26,194	22,904	3,290
Total Improvement of Instruction Services	1,797,698	69,299	1,866,997	2,202,230	(335,233)

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE					
Educational Media Services/School Library:					
Salaries	\$ 126,636	\$ 138,427	\$ 265,063	\$ 265,063	
Purchased Professional and Technical Services	30,610	(5,404)	25,206	25,206	
Supplies and Materials	26,606	(3,674)	22,932	21,533	\$ 1,399
Total Educational Media Services/School Library	183,852	129,349	313,201	311,802	1,399
Instructional Staff Training Services:					
Salaries of Other Professional Staff	39,862	1,239	1,239	1,238	1
Purchased Professional - Educational Services	4,500	(16,590)	23,272	17,992	5,280
Other Purchased Services (400-500 Series)	4,565	(4,500)			
Supplies and Materials		(1,373)	3,192	2,423	769
Total Instructional Staff Training Services	48,927	(21,224)	27,703	21,653	6,050
Support Services - General Administration:					
Salaries	879,058	52,626	931,684	931,684	
Legal Services	474,639	(13,006)	461,633	384,591	77,042
Audit Fees	94,000	3,500	97,500	97,500	
Architectural/Engineering Services	34,450	(26,000)	8,450	6,445	2,005
Other Purchased Professional Services	73,215	(23,035)	50,180	32,965	17,215
Communications/Telephone	227,000	(52,207)	174,793	163,005	11,788
BOE Other Purchased Services	15,484	(15,484)			
Miscellaneous Purchased Services (400-500 Series, Other than 530 & 585)	7,800	11,389	19,189	17,892	1,297
General Supplies	43,125	(35,438)	7,687	6,794	893
Judgments Against the School District	739,322	(108,025)	631,297	622,629	8,668
Miscellaneous Expenditures	30,000	14,835	44,835	42,734	2,101
BOE Membership Dues and Fees	12,759	(12,759)			
Total Support Services - General Administration	2,630,852	(203,604)	2,427,248	2,306,239	121,009

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	\$ 3,327,711	\$ 46,421	\$ 3,374,132	\$ 3,374,132	
Salaries of Other Professional Staff	190,000	(6,592)	183,408	183,408	
Salaries of Secretarial and Clerical Assistants	1,759,485	(8,387)	1,751,098	1,751,098	
Purchased Professional and Technical Services	22,000		22,000	2,250	\$ 19,750
Other Purchased Services (400-500 Series)	3,000	(3,000)			
Supplies and Materials	11,775	(500)	11,275	6,397	4,878
Total Support Services - School Administration	5,313,971	27,942	5,341,913	5,317,285	24,628
Support Services - Central Services:					
Salaries	1,540,321	(208,220)	1,332,101	1,332,100	1
Miscellaneous Purchased Services (400-500 Series, Other than 594)	38,302	(25,428)	12,874	10,540	2,334
Supplies and Materials	88,126	2,254	90,380	80,310	10,070
Total Support Services - Central Services	1,666,749	(231,394)	1,435,355	1,422,950	12,405
Support Services - Administration Information Technology:					
Salaries	839,619	(76,912)	762,707	762,707	
Purchased Technical Services	292,484	(113,662)	178,822	161,088	17,734
Other Purchased Services (400-500 series)	4,074	(646)	3,428	3,266	162
Supplies and Materials	94,750	3,690	98,440	66,511	31,929
Total Support Services - Administration Information Technology	1,230,927	(187,530)	1,043,397	993,572	49,825
Required Maintenance of School Facilities:					
Salaries	370,224	(36,730)	333,494	333,491	3
Cleaning, Repair and Maintenance Services	1,066,393	21,353	1,087,746	782,125	305,621
General Supplies	173,728	5,580	179,308	136,513	42,795
Total Required Maintenance of School Facilities	1,610,345	(9,797)	1,600,548	1,252,129	348,419

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 3,309,614	\$ 323,844	\$ 3,633,458	\$ 3,633,458	\$ 9,085
Purchased Professional and Technical Services	57,500	(36,836)	20,664	11,579	39,023
Cleaning, Repair and Maintenance Services	1,615,932	(426,854)	1,189,078	1,150,055	
Rental of Land and Buildings Other Than Lease Purchase Agreements	30,000	(5,313)	24,687	24,687	
Lease Purchase Payments - Energy Savings Improvement Prog	858,657	267,971	1,126,628	1,126,628	
Other Purchased Property Services	227,105		227,105	171,796	55,309
Insurance	1,345,803	(113,697)	1,232,106	1,232,106	
Miscellaneous Purchased Services		226	226	226	
General Supplies	470,228	24,391	494,619	440,329	54,290
Energy (Natural Gas)	459,000	11,808	470,808	470,808	
Energy (Electricity)	663,000	(364,199)	298,801	298,801	
Energy (Gasoline)	40,800	(15,174)	25,626	25,626	
Total Custodial Services	9,077,639	(333,833)	8,743,806	8,586,099	157,707
Care and Upkeep of Grounds:					
Salaries	149,605	92	149,697	149,697	
Cleaning, Repair and Maintenance Services	132,211	(44,214)	87,997	59,068	28,929
General Supplies	50,536	(25,483)	25,053	16,783	8,270
Total Care and Upkeep of Grounds	332,352	(69,605)	262,747	225,548	37,199
Security:					
Salaries	1,214,325	77,900	1,292,225	1,292,224	1
Purchased Professional and Technical Services	51,000	(3,200)	47,800	47,800	
General Supplies	12,626	(100)	12,526	11,980	546
Total Security	1,277,951	74,600	1,352,551	1,352,004	547

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Student Transportation Services:					
Salaries for Pupil Transportation - Between Home & School - Regular	\$ 85,291	\$ 2,576	\$ 87,867	\$ 87,867	
Salaries for Pupil Transportation - Between Home & School - Special	85,291	3,652	88,943	88,943	
Salaries for Pupil Transportation - Other Than Between Home & School	152,458	(3,091)	149,367	149,366	1
Management Fee - ESC & CTSA Transportation Programs	430,623	(53,803)	376,820	374,327	2,493
Other Purchased Professional and Technical Services	6,000		6,000	5,989	11
Cleaning, Repair and Maintenance Services	16,046	(1,898)	14,148	12,267	1,881
Lease Purchase Payments - School Buses	21,937		21,937	21,937	
Contracted Services:					
Aid in Lieu of Payments - Nonpublic Students	275,000	(2,892)	272,108	272,107	1
Other than Between Home and School - Vendors	325,500	3,342	328,842	284,749	44,093
Regular Students - ESCs & CTSA	2,309,000	(239,832)	2,069,168	2,069,168	
Special Education Students - ESCs & CTSA	5,508,000	(370,980)	5,137,020	4,735,520	401,500
General Supplies	2,023	(1,351)	672	565	107
Total Student Transportation Services	9,217,169	(664,277)	8,552,892	8,102,805	450,087
Unallocated Benefits:					
Social Security Contributions	2,253,497	(284,036)	1,969,461	1,969,460	1
Other Retirement Contributions - PERS	2,000,879	31,678	2,032,557	2,032,557	
Other Retirement Contributions - Essex Pension		58,185	58,185	58,185	
Other Retirement Contributions - Regular	281,184	(61,184)	220,000	220,000	
Workmen's Compensation	526,000	(15,296)	510,704	510,703	1
Health Benefits	19,272,752	(285,195)	18,987,557	20,444,927	(1,457,370)
Tuition Reimbursement	190,080	(21,864)	168,216	165,831	2,385
Other Employee Benefits	324,200	(204,590)	119,610	118,829	781
Total Unallocated Benefits	24,848,592	(782,302)	24,066,290	25,520,492	(1,454,202)

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
On-Behalf TPAF Contributions (Non-Budgeted):					
Post-Retirement Medical Benefits				\$ 6,129,127	\$ (6,129,127)
Pension				22,266,094	(22,266,094)
Non-Contributory Insurance				253,933	(253,933)
Long-Term Disability Insurance				7,475	(7,475)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				4,570,322	(4,570,322)
Total On-Behalf and Reimbursed Contributions				33,226,951	(33,226,951)
Total Personal Services - Employee Benefits	\$ 24,848,592	\$ (782,302)	\$ 24,066,290	58,747,443	(34,681,153)
Total Undistributed Expenses	86,124,941	(2,777,695)	83,347,246	116,799,686	(33,452,440)
TOTAL CURRENT EXPENSE	139,192,577	1,068,887	140,261,464	173,355,409	(33,093,945)
CAPITAL OUTLAY:					
Equipment:					
Operation & Maintenance of Plant Services		39,539	39,539	39,539	
Total Equipment		39,539	39,539	39,539	
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	48,541	(8,121)	40,420		40,420
Purchased Professional and Technical Services	80,472		80,472	80,472	
Construction Services		8,126	8,126	8,126	
Assessment for Debt Service on SDA Funding	85,938		85,938	85,938	
Total Facilities Acquisition and Construction Services	214,951	5	214,956	174,536	40,420
TOTAL CAPITAL OUTLAY	214,951	39,544	254,495	214,075	40,420
Transfer of Funds to Charter Schools	95,889	63,189.00	159,078	141,715	17,363
TOTAL EXPENDITURES	139,503,417	1,171,620	140,675,037	173,711,199	(33,036,162)

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (645,157)	\$ (1,171,620)	\$ (1,816,777)	\$ 1,146,867	\$ 2,963,644
Other Financing Sources/(Uses):					
Transfers In/(Out):					
Transfer to Special Revenue Fund - Local Contribution - Inclusion	(542,508)	542,508		(542,508)	(542,508)
Capital Projects Fund - Capital Reserve Unexpended Balances				51,675	51,675
Capital Projects Fund - Interest				11,514	11,514
Food Service Enterprise Fund - Board Contribution	(114,650)	110,000	(4,650)		4,650
Total Other Financing Sources/(Uses)	(657,158)	652,508	(4,650)	(479,319)	(474,669)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(1,302,315)	(519,112)	(1,821,427)	667,548	2,488,975
Fund Balance, July 1	9,217,262		9,217,262	9,217,262	
Fund Balance, June 30	<u>\$ 7,914,947</u>	<u>\$ (519,112)</u>	<u>\$ 7,395,835</u>	<u>\$ 9,884,810</u>	<u>\$ 2,488,975</u>
<u>Recapitulation:</u>					
Restricted:					
Excess Surplus 2024-2025				\$ 737,760	
Capital Reserve				988,363	
Maintenance Reserve				184,278	
Unemployment Compensation				436,873	
Workers Compensation				81,976	
Assigned:					
Year-End Encumbrances				1,923,511	
Designated for Subsequent Year's Expenditures				2,667,739	
Unassigned Fund Balance				<u>2,864,310</u>	
				<u>9,884,810</u>	
Reconciliation to Governmental Funds Statements (GAAP):				(856,072)	
Last State Aid Payments not Recognized on GAAP Basis				<u>\$ 9,028,738</u>	
Fund Balance per Governmental Funds (GAAP)					

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 140,846	\$ 821,552	\$ 962,398	\$ 852,736	\$ (109,662)
State Sources	990,075	2,744,280	3,734,355	3,084,511	(649,844)
Federal Sources	8,853,815	(2,314,630)	6,539,185	4,294,859	(2,244,326)
Total Revenues	9,984,736	1,251,202	11,235,938	8,232,106	(3,003,832)
OTHER FINANCING SOURCES:					
Transfer In - Board Contribution - General Fund				542,508	542,508
Total Revenue and Other Financing Sources	9,984,736	1,251,202	11,235,938	8,774,614	(2,461,324)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,855,847	(666,333)	1,189,514	915,433	274,081
Other Salaries for Instruction	110,952	734,631	845,583	776,638	68,945
Purchased Professional and Technical Services	43,981		43,981	41,463	2,518
Purchased Professional/Educational Services	134,873	3,382	138,255	100,581	37,674
Other Purchased Services	61,439	42,961	104,400	103,550	850
Tuition	1,153,546	112,704	1,266,250	1,265,498	752
General Supplies	285,555	(51,076)	234,479	145,057	89,422
Textbooks		134,071	134,071	97,974	36,097
Other Objects	3,000	2,087	5,087	2,481	2,606
Total Instruction	3,649,193	312,427	3,961,620	3,448,675	512,945
Support Services:					
Other Salaries	435,813	(86,601)	349,212	341,251	7,961
Salaries of Supervisors of Instruction	152,166		152,166	150,936	1,230
Salaries of Other Professional Staff	70,537		70,537	70,537	

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Support Services: (Cont'd)					
Salaries of Family/Parent Liaison	\$ 123,000	\$	123,000	\$ 33,825	\$ 89,175
Personal Services - Employee Benefits	697,535	1,095	698,630	259,912	438,718
Purchased Professional and Technical Services	647,763	(167,410)	480,353	349,615	130,738
Purchased Education Services - Contracted Pre-K	1,526,270		1,526,270	1,526,270	
Purchased Professional/Educational Services	1,648,901	(276,417)	1,372,484	703,353	669,131
Other Purchased Services	437,529	177,437	614,966	289,852	325,114
Supplies and Materials	57,483	419,101	476,584	362,761	113,823
Other Objects	299,274	(133,500)	165,774	40	165,734
Student Activities		821,552	821,552	793,445	28,107
Total Support Services	6,096,271	755,257	6,851,528	4,881,797	1,969,731
Facilities Acquisition and Construction Services:					
Construction Services	239,272	183,518	422,790	420,757	2,033
Total Facilities Acquisition and Construction Services	239,272	183,518	422,790	420,757	2,033
Total Expenditures	9,984,736	1,251,202	11,235,938	8,751,229	2,484,709
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 23,385	\$ 23,385

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 174,858,066	\$ 8,232,106
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, whereas the GAAP Basis does not:		
Current Year Encumbrances:		
Federal		(584,206)
State		(291,625)
Local		(7,467)
Prior Year Encumbrances:		
Federal		326,947
State		146,682
Local		5,200
Cancelled		(175,310)
Prior Year State Aid Payments Not Recognized for Budgetary Purposes, Recognized for GAAP Statements	826,807	101,060
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(856,072)</u>	<u>(212,119)</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 174,828,801</u>	<u>\$ 7,541,268</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 173,711,199	\$ 8,751,229
Differences - Budgetary to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Current Year Encumbrances		(883,298)
Prior Year Encumbrances		478,829
Prior Year Encumbrances Canceled		<u>(175,310)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 173,711,199</u>	<u>\$ 8,171,450</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue Funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of School Estimate. 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.6:20-2A.2(m)l. Transfers of appropriations may be made by school board resolution at any time during the fiscal year. All budgetary 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).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from the GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording these state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Elementary and Secondary Education Act				Nonpublic Handicapped (Ch.192) Compensatory Education	SDA Emergent and Capital Maintenance Needs	Student Activities
	Title I, Part A	Title I SIA, Part A	Title IIA	Title III	Title IV		
REVENUE:							
Local Sources							
State Sources							
Federal Sources							
Total Revenue	\$ 515,336	\$ 40,503	\$ 90,566	\$ 14,195	\$ 9,075	\$ 190,043	\$ 816,830
OTHER FINANCING SOURCES:							
Transfer In - Board Contribution - General Fund							
Total Revenue and Other Financing Sources							
EXPENDITURES:							
Instruction:							
Salaries of Teachers	269,853	32,760		2,857			
Other Salaries for Instruction		2,355					
Purchased Professional and Technical Services							
Purchased Professional/Educational Services							
Other Purchased Services							
Tuition							
General Supplies	13	2,907					
Textbooks							
Other Objects		2,481					
Total Instruction	269,866	40,503		2,857			
Support Services:							
Other Salaries	113,279			11,338			
Salaries of Supervisors of Instruction							
Salaries of Other Professional Staff							
Salaries of Family/Parent Liaison							
Personal Services - Employee Benefits	132,191		46,300		9,075		
Purchased Professional and Technical Services							
Purchased Education Services - Contracted Pre-K			19,707				
Purchased Professional/Educational Services			17,888				
Other Purchased Services			6,671				
Supplies and Materials							
Travel							
Student Activities							793,445
Total Support Services	245,470		90,566	11,338	9,075		793,445
Facilities Acquisition and Construction Services:							
Construction Services						190,043	
Total Facilities Acquisition and Construction Services						190,043	
Total Expenditures	\$ 515,336	\$ 40,503	\$ 90,566	\$ 14,195	\$ 9,075	\$ 190,043	\$ 793,445

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ACSERS	COVID 19 - ARP	IDEA, Part B			
			Basic		Preschool	
			2023-2024	2022-2023	2023-2024	2022-2023
REVENUE:						
Local Sources						
State Sources						
Federal Sources						
Total Revenue	\$ 513,998	\$ 119,095	\$ 1,845,651	\$ 533,811	\$ 44,760	\$ 36,605
	513,998	119,095	1,845,651	533,811	44,760	36,605
OTHER FINANCING SOURCES:						
Transfer In - Board Contribution - General Fund						
Total Revenue and Other Financing Sources	513,998	119,095	1,845,651	533,811	44,760	36,605
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Other Salaries for Instruction	110,952	75,000	235,227	3,592	11,104	36,605
Purchased Professional and Technical Services			164,864	200,350	27,932	
Purchased Professional/Educational Services	88,081					
Other Purchased Services	103,550		986,855	278,643		
Tuition			4,138			
General Supplies						
Textbooks						
Other Objects						
Total Instruction	302,583	75,000	1,391,084	482,585	39,036	36,605
Support Services:						
Other Salaries	91,841		97,010			
Salaries of Supervisors of Instruction						
Salaries of Other Professional Staff						
Salaries of Family/Parent Liaison						
Personal Services - Employee Benefits	23,895		97,792		2,141	
Purchased Professional and Technical Services						
Purchased Education Services - Contracted Pre-K						
Purchased Professional/Educational Services	95,679	42,593	119,013	42,088		
Other Purchased Services		1,502	126,252	3,857	3,583	
Supplies and Materials			14,500	5,281		
Travel						
Student Activities						
Total Support Services	211,415	44,095	454,567	51,226	5,724	
Facilities Acquisition and Construction Services:						
Construction Services						
Total Facilities Acquisition and Construction Services						
Total Expenditures	\$ 513,998	\$ 119,095	\$ 1,845,651	\$ 533,811	\$ 44,760	\$ 36,605

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	COVID-19					Nonpublic Handicapped (Ch. 193)		
	American Rescue Plan				Preschool	Supplementary	Corrective	
	ESSER III	Accelerated Learning	Beyond the School Day	Homeless Grant	Expansion Aid	Instruction	Speech	
REVENUE:								
Local Sources								
State Sources								
Federal Sources								
Total Revenue	\$ 266,014	\$ 77,839	\$ 21,918	\$ 8,784	\$ 1,997,007	\$ 49,560	\$ 13,950	
	266,014	77,839	21,918	8,784	1,997,007	49,560	13,950	
OTHER FINANCING SOURCES:								
Transfer In - Board Contribution - General Fund								
Total Revenue and Other Financing Sources	266,014	77,839	21,918	8,784	542,508	49,560	13,950	
					2,539,515			
EXPENDITURES:								
Instruction:								
Salaries of Teachers		3,839			275,783			
Other Salaries for Instruction			21,830		136,750			
Purchased Professional and Technical Services				134				
Purchased Professional/Educational Services					12,500			
Other Purchased Services								
Tuition								
General Supplies			88		12,237			
Textbooks								
Other Objects								
Total Instruction		3,839	21,918	134	437,270			
Support Services:								
Other Salaries								
Salaries of Supervisors of Instruction					150,936			
Salaries of Other Professional Staff					70,537			
Salaries of Family/Parent Liaison					33,825			
Personal Services - Employee Benefits								
Purchased Professional and Technical Services		74,000		400	1,526,270			
Purchased Education Services - Contracted Pre-K					315,845	49,560	13,950	
Purchased Professional/Educational Services	35,300							
Other Purchased Services								
Supplies and Materials				8,250	4,792			
Travel					40			
Student Activities								
Total Support Services	35,300	74,000		8,650	2,102,245	49,560	13,950	
Facilities Acquisition and Construction Services:								
Construction Services	230,714							
	230,714							
Total Facilities Acquisition and Construction Services	\$ 266,014	\$ 77,839	\$ 21,918	\$ 8,784	\$ 2,539,515	\$ 49,560	\$ 13,950	
Total Expenditures								

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	COVID-19 - CRRSA							Total
	ESSER II	Mental Health	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	Local Grants	
REVENUE:								
Local Sources								
State Sources								
Federal Sources	\$ 99,392	\$ 57,317	\$ 97,974	\$ 219,840	\$ 39,935	\$ 368,312	\$ 35,906	\$ 852,736
Total Revenue	99,392	57,317	97,974	219,840	39,935	368,312	35,906	8,232,106
OTHER FINANCING SOURCES:								
Transfer In - Board Contribution - General Fund								
Total Revenue and Other Financing Sources	99,392	57,317	97,974	219,840	39,935	368,312	35,906	542,508
EXPENDITURES:								
Instruction:								
Salaries of Teachers	27,174	53,244						915,433
Other Salaries for Instruction								776,638
Purchased Professional and Technical Services	41,329							41,463
Purchased Professional/Educational Services								100,581
Other Purchased Services								103,550
Tuition								1,265,498
General Supplies								145,057
Textbooks			97,974					97,974
Other Objects								2,481
Total Instruction	68,503	53,244	97,974		39,935	49,833	35,906	3,448,675
Support Services:								
Other Salaries	23,710	4,073						341,251
Salaries of Supervisors of Instruction								150,936
Salaries of Other Professional Staff								70,537
Salaries of Family/Parent Liaison								33,825
Personal Services - Employee Benefits	3,893							259,912
Purchased Professional and Technical Services				219,840				349,615
Purchased Education Services - Contracted Pre-K								1,526,270
Purchased Professional/Educational Services								703,353
Other Purchased Services								289,852
Supplies and Materials	3,286					318,479		362,761
Travel								40
Student Activities								793,445
Total Support Services	30,889	4,073		219,840		318,479		4,881,797
Facilities Acquisition and Construction Services:								
Construction Services								420,757
Total Facilities Acquisition and Construction Services								420,757
Total Expenditures	\$ 99,392	\$ 57,317	\$ 97,974	\$ 219,840	\$ 39,935	\$ 368,312	\$ 35,906	\$ 8,751,229

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 329,147	\$ 275,783	\$ 53,364
Other Salaries for Instruction	145,583	136,750	8,833
Purchased Professional/Educational Services	30,000	12,500	17,500
General Supplies	12,237	12,237	
Total Instruction	<u>516,967</u>	<u>437,270</u>	<u>79,697</u>
Support Services:			
Salaries of Supervisors of Instruction	152,166	150,936	1,230
Salaries of Other Professional Staff	70,537	70,537	
Salaries of Family/Parent Liaison	123,000	33,825	89,175
Purchased Education Services - Contracted Pre-K	1,526,270	1,526,270	
Purchased Professional/Educational Services	317,100	315,845	1,255
Supplies and Materials	5,000	4,792	208
Travel	1,500	40	1,460
Total Support Services	<u>2,195,573</u>	<u>2,102,245</u>	<u>93,328</u>
Total Expenditures	<u>\$ 2,712,540</u>	<u>\$ 2,539,515</u>	<u>\$ 173,025</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2023-2024 Preschool Education Aid Allocation	\$ 2,170,032
Actual Preschool Education Aid Carryover (June 30, 2023)	109,687
Add: Budgeted Transfer from General Fund 2023-2024	542,508
Add: Budgeted Tuition 2023-2024	-0-
Total Preschool Education Aid Funds Available for 2023-24	<u>2,822,227</u>
Less: 2023-24 Budgeted Preschool Education Aid Funds	<u>(2,712,540)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2024	109,687
Add: June 30, 2024 Unexpended Preschool Education Aid	<u>173,025</u>
2023-24 Carryover - Preschool Education Aid	<u>\$ 282,712</u>
Budgeted for Preschool Programs in 2024-2025	<u>\$ 109,687</u>

CAPITAL PROJECTS FUND

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Revenue and Other Financing Sources:

Interest Earned	\$ 3,628,146
Total Revenue and Other Financing Sources	<u>3,628,146</u>

Expenditures and Other Financing Uses:

Purchased Professional and Technical Services	25,856
Facilities Acquisition and Construction Services	5,649,029
Architecture Services	4,101,840
Transfers Out:	
General Fund - Capital Reserve - Unexpended Funds	51,675
Debt Service Fund - Interest	2,666,632
General Fund - Interest	11,514
Total Expenditures and Other Financing Uses	<u>12,506,546</u>

Excess/(Deficiency) of Revenue and Other Financing Sources

Over/(Under) Expenditures and Other Financing Uses	(8,878,400)
--	-------------

Fund Balance - Beginning Balance

73,873,732

Fund Balance - Ending Balance

\$ 64,995,332

Recapitulation:

Restricted Fund Balance:

Year-End Encumbrances	\$ 20,269,559
Restricted Fund Balance	41,691,944
Total Restricted Fund Balance	<u>61,961,503</u>

Committed Fund Balance:

Year-End Encumbrances	50,392
Committed Fund Balance	2,033,437
Total Committed Fund Balance	<u>2,083,829</u>

Assigned Fund Balance

950,000

Total Fund Balance (Budgetary)

64,995,332

Reconciliation to Governmental Funds Statements (GAAP):

Receivables not Recognized on the GAAP Basis	(2,825,009)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 62,170,323</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2020-019
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair:				
Bond Ordinance Proceeds	\$ 4,425,850		\$ 4,425,850	\$ 4,425,850
Total Revenues and Other Financing Sources	4,425,850		4,425,850	4,425,850
Expenditures:				
Purchased Professional and Technical Services	196,670		196,670	196,670
Construction Services	2,070,193	\$ 266,165	2,336,358	4,229,180
Total Expenditures	2,266,863	266,165	2,533,028	4,425,850
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ 2,158,987	\$ (266,165)	\$ 1,892,822	\$ -0-

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCES #2019-002
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair:				
Bond Ordinance Proceeds	\$ 2,991,877		\$ 2,991,877	\$ 2,991,877
Transfer from Capital Reserve	220,437		220,437	220,437
Total Revenues and Other Financing Sources	3,212,314		3,212,314	3,212,314
Expenditures:				
Purchased Professional and Technical Services	345,759		345,759	345,759
Construction Services	2,636,029	\$ 39,519	2,675,548	2,866,555
Total Expenditures	2,981,788	39,519	3,021,307	3,212,314
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ 230,526	\$ (39,519)	\$ 191,007	\$ -0-

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
DISTRICT-WIDE ENERGY SAVINGS IMPROVEMENT PROGRAM (ESIP)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Authorized Cost</u>
Revenue and Other Financing Sources:				
ESIP Financed Purchase Proceeds	<u>\$ 10,720,000</u>		<u>\$ 10,720,000</u>	<u>\$ 10,720,000</u>
Total Revenues and Other Financing Sources	<u>10,720,000</u>		<u>10,720,000</u>	<u>10,720,000</u>
Expenditures:				
Purchased Professional and Technical Services	790,312	\$ 3,145	793,457	794,899
Construction Services	<u>8,713,052</u>	<u>692,008</u>	<u>9,405,060</u>	<u>9,925,101</u>
Total Expenditures	<u>9,503,364</u>	<u>695,153</u>	<u>10,198,517</u>	<u>10,720,000</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>\$ 1,216,636</u>	<u>\$ (695,153)</u>	<u>\$ 521,483</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number:	Various
Lease Authorization Date:	12/20/2020
Lease Authorized:	\$10,720,000
Lease Issued:	\$10,720,000
Original Authorized Cost:	<u>\$10,720,000</u>
Revised Authorized Cost:	<u>\$10,720,000</u>
Percentage Completion:	95.14%
Original Target Completion Date:	6/30/24
Revised Target Completion Date:	6/30/24

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
DISTRICT WIDE SCHOOL RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 990,572		\$ 990,572	\$ 990,572
Transfer from Capital Reserve	1,496,816		1,496,816	1,496,816
Total Revenues and Other Financing Sources	2,487,388		2,487,388	2,487,388
Expenditures:				
Construction Services	1,947,782		1,947,782	2,487,388
Total Expenditures	1,947,782		1,947,782	2,487,388
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ 539,606	\$ -0-	\$ 539,606	\$ -0-

Additional Project Information:

Project Number:	Various
Grant Date:	3/31/14 & 5/2/14
Bond Authorization Date:	N/A
Bonds Issued:	N/A
Original Authorized Cost:	\$ 2,487,388
Revised Authorized Cost:	\$ 2,487,388
Percentage Increase over Original Authorized Cost:	0.00%
Percentage Completion:	78.31%
Original Target Completion Date:	8/30/16
Revised Target Completion Date:	N/A

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
MONTCLAIR HIGH SCHOOL/HILLSIDE ELEMENTARY SCHOOL - VARIOUS FLOOR REPLACEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 125,000	\$ (27,548)	\$ 97,452	\$ 97,452
Total Revenues and Other Financing Sources	125,000	(27,548)	97,452	97,452
Expenditures:				
Construction Services	97,452		97,452	97,452
Total Expenditures	97,452		97,452	97,452
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ 27,548	\$ (27,548)	\$ -0-	\$ -0-

Additional Project Information:

Project Number:	N/A
Grant Date:	N/A
Bond Authorization Date:	N/A
Bonds Issued:	N/A
Original Authorized Cost:	\$ 125,000
Canceled to Capital Reserve	\$ (27,548)
Revised Authorized Cost:	\$ 97,452
Percentage Increase over Original Authorized Cost:	0.00%
Percentage Completion:	100.00%
Original Target Completion Date:	8/30/2015
Revised Target Completion Date:	N/A

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
MONTCLAIR HIGH SCHOOL - ELEVATOR REPLACEMENT/UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 100,000	\$ (24,127)	\$ 75,873	\$ 75,873
Total Revenues and Other Financing Sources	100,000	(24,127)	75,873	75,873
Expenditures:				
Construction Services	75,873		75,873	75,873
Total Expenditures	75,873		75,873	75,873
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ 24,127	\$ (24,127)	\$ -0-	\$ -0-

Additional Project Information:

Project Number:	N/A
Grant Date:	N/A
Bond Authorization Date:	N/A
Bonds Issued:	N/A
Original Authorized Cost:	\$ 100,000
Canceled to Capital Reserve	\$ (24,127)
Revised Authorized Cost:	\$ 75,873

Percentage Increase over Original Authorized Cost:	0.00%
Percentage Completion:	100.00%
Original Target Completion Date:	6/30/2015
Revised Target Completion Date:	N/A

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
2023 REFERENDUM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 70,000,000		\$ 70,000,000	\$ 187,730,769
Total Revenue and Other Financing Sources	70,000,000		70,000,000	187,730,769
Expenditures:				
Purchased Professional and Technical Services	101,838.00	\$ 22,711	124,549	124,549
Architectual Services	16,030.00	4,101,840	4,117,870	8,364,175
Legal Services	112,204.00		112,204	150,000
Construction Services	93,626.00	4,651,337	4,744,963	179,092,045
Total Expenditures	323,698.00	8,775,888	9,099,586	187,730,769
Excess/Deficiency of Revenue and Other Financing Sources Over/Under Expenditures	\$ 69,676,302	\$ (8,775,888)	\$ 60,900,414	\$ -0-
Additional Project Information:				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	11/8/2022			
Bonds Authorized	\$ 187,730,769			
Bonds Issued	\$ 70,000,000			
Bonds Authorized but not Issued	\$ 117,730,769			
Original Authorized Cost	\$ 187,730,769			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	4.85%			
Original Target Completion Date	06/30/28			

PROPRIETARY FUNDS

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024

	Major Fund	Non-Major Funds			Total
	Food Service Program	Summer Program	Provisional Teacher	Total	Enterprise Funds
<u>ASSETS:</u>					
Current Assets:					
Cash and Cash Equivalents	\$ 491,840	\$ 360,371	\$ 70,722	\$ 431,093	\$ 922,933
Intergovernmental Receivable:					
State	5,244				5,244
Federal	97,155				97,155
Accounts Receivable:					
Student - (Less Allowance of \$306,577)	15,000				15,000
Interfund Receivable	14,667				14,667
Inventories	22,056				22,056
Total Current Assets	645,962	360,371	70,722	431,093	1,077,055
Non-Current Assets:					
Capital Assets	603,394				603,394
Less: Accumulated Depreciation	(532,663)				(532,663)
Total Non-Current Assets	70,731				70,731
Total Assets	716,693	360,371	70,722	431,093	1,147,786
<u>LIABILITIES:</u>					
Unearned Revenue:					
Food Distribution Program	4,074				4,074
Prepaid Meals	76,042				76,042
Prepaid Summer Program		211,262		211,262	211,262
Supply Chain Assistance	102,600				102,600
Accounts Payable	543,143	55,128		55,128	598,271
Total Liabilities	725,859	266,390		266,390	992,249
<u>NET POSITION:</u>					
Investment in Capital Assets	70,731				70,731
Unrestricted/(Deficit)	(79,897)	93,981	70,722	164,703	84,806
Total Net Position/(Deficit)	\$ (9,166)	\$ 93,981	\$ 70,722	\$ 164,703	\$ 155,537

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Major Fund	Non-Major Funds			Total	Total Enterprise Funds
	Food Service Program	Summer Program	Provisional Teacher			
Operating Revenue:						
Local Sources:						
Daily Sales:						
Reimbursable Programs	\$ 815,527				\$ 815,527	
Non-Reimbursable Programs	179,613					179,613
Program Fees		\$ 316,681		\$ 316,681		316,681
Mentor Fees			\$ 41,200	\$ 41,200		41,200
Total Operating Revenue	995,140	316,681	41,200	357,881		1,353,021
Operating Expenses:						
Cost of Sales:						
Reimbursable Programs	737,176					737,176
Non-Reimbursable Programs	166,009					166,009
Total Cost of Sales	903,185					903,185
Salaries, Benefits & Payroll Taxes	800,447	290,536	73,417	363,953		1,164,400
Administrative Expenses	114,065		1,000	1,000		115,065
Supplies and Materials	143,865	13,468		13,468		157,333
Management Fee	108,539					108,539
Purchased Professional Services		2,454	7,250	9,704		9,704
Depreciation	36,507					36,507
Total Operating Expenses	2,106,608	306,458	81,667	388,125		2,494,733
Operating Income/(Loss)	(1,111,468)	10,223	(40,467)	(30,244)		(1,141,712)

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Major Fund	Non-Major Funds			Enterprise Fund
	Food Service Program	Summer Program	Provisional Teacher	Total	Totals
Non-Operating Revenue:					
Local Sources:					
Interest Income	\$ 3,228				\$ 3,228
State Sources:					
State School Lunch Program	24,087				24,087
State School Breakfast Program	914				914
State Extended Income Eligibility - Breakfast	240				240
State Extended Income Eligibility - Lunch	3,007				3,007
Federal Sources:					
School Breakfast Program	49,111				49,111
National School Lunch Program	427,683				427,683
Healthy Hunger-Free Kids Act	23,775				23,775
Local Food for Schools (LFS) Cooperative Program	15,282				15,282
P-EBT Reimbursement	653				653
Food Distribution Program	63,547				63,547
Supply Chain Assistance Grant	165,996				165,996
Total Non-Operating Revenue	777,523				777,523
Change in Net Position	(333,945)	\$ 10,223	\$ (40,467)	\$ (30,244)	(364,189)
Net Position - Beginning of Year	324,779	83,758	111,189	194,947	519,726
Net Position/(Deficit) - End of Year	\$ (9,166)	\$ 93,981	\$ 70,722	\$ 164,703	\$ 155,537

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Major Fund Food Service Program	Summer Program	Non-Major Funds Provisional Teacher	Total	Total Enterprise Funds
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 998,129	\$ 311,365	\$ 41,200	\$ 352,565	\$ 1,350,694
Payments to Employees		(292,990)	(80,667)	(373,657)	(373,657)
Payments to Food Service Management Contractor	(1,444,425)				(1,444,425)
Payments to Suppliers	(58,731)	41,660	(1,000)	40,660	(18,071)
Net Cash Provided by/(Used for) Operating Activities	(505,027)	60,035	(40,467)	19,568	(485,459)
Cash Flows from Capital and Related Financing Activities:					
Acquisition of Capital Assets	(26,817)				(26,817)
Net Cash (Used for) Capital and Related Financing Activities	(26,817)				(26,817)
Cash Flows from Investing Activities:					
Local Sources - Interest Income	3,228				3,228
Net Cash Provided by Investing Activities	3,228				3,228
Cash Flows from Noncapital Financing Activities:					
Cash Received from State Subsidy Reimbursements	24,599				24,599
Cash Received from Federal Subsidy Reimbursements	598,297				598,297
Interfund - General Fund	(9,722)				(9,722)
Net Cash Provided by Noncapital Financing Activities	613,174				613,174
Net Increase/(Decrease) in Cash and Cash Equivalents	84,558	60,035	(40,467)	19,568	104,126
Cash and Cash Equivalents, July 1	407,282	300,336	111,189	411,525	818,807
Cash and Cash Equivalents, June 30	\$ 491,840	\$ 360,371	\$ 70,722	\$ 431,093	\$ 922,933

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Major Fund Food Service Program	Summer Program	Non-Major Funds Provisional Teacher	Total	Total Enterprise Funds
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:					
Operating Income/(Loss)	\$ (1,111,468)	\$ 10,223	\$ (40,467)	\$ (30,244)	\$ (1,141,712)
Net Cash Provided by/(Used for) Operating Activities:					
Depreciation	36,507				36,507
Food Distribution Program	63,547				63,547
Changes in Assets and Liabilities:					
Decrease in Accounts Receivable		2,800		2,800	2,800
Decrease in Inventory	893				893
Increase/(Decrease) in Unearned Revenue:					
Donated Commodities	(2,305)				(2,305)
Prepaid Meals/Summer Program	2,989	(8,116)		(8,116)	(5,127)
Increase in Accounts Payable	504,810	55,128		55,128	559,938
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (505,027)</u>	<u>\$ 60,035</u>	<u>\$ (40,467)</u>	<u>\$ 19,568</u>	<u>\$ (485,459)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received commodities from the Federal Food Distribution Program valued at \$61,242 and utilized \$63,547 for the fiscal year ended June 30, 2024.

**FIDUCIARY ACTIVITIES
(NOT APPLICABLE)**

LONG-TERM LIABILITIES

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities Outstanding June 30, 2024		Interest Rate	Balance June 30, 2023	Balance June 30, 2024
			Date	Amount			
Referendum Bonds	02/01/23	\$ 70,000,000	01/15/25	\$ 2,100,000	3.000%		
			01/15/26	2,990,000	3.000%		
			01/15/27	3,075,000	3.000%		
			01/15/28	3,170,000	3.000%		
			01/15/29	3,265,000	3.000%		
			01/15/30	3,365,000	3.000%		
			01/15/31	3,465,000	3.000%		
			01/15/32	3,575,000	3.000%		
			01/15/33	3,690,000	3.000%		
			01/15/34	3,815,000	3.000%		
			01/15/35	3,965,000	3.125%		
			01/15/36	4,125,000	3.000%		
			01/15/37	4,200,000	3.250%		
			01/15/38	4,200,000	3.250%		
			01/15/39	4,200,000	4.000%		
			01/15/40	4,200,000	4.000%		
			01/15/41	4,200,000	4.000%		
			01/15/42	4,200,000	4.000%		
			01/15/43	4,200,000	4.000%		
						\$ 70,000,000	\$ 70,000,000
						<u>\$ 70,000,000</u>	<u>\$ 70,000,000</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
LONG-TERM LIABILITIES
STATEMENT OF OBLIGATIONS UNDER FINANCED PURCHASES

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2023</u>	<u>Matured</u>	<u>Balance June 30, 2024</u>
School Bus and Maintenance Vehicles and Equipment	\$ 360,000	2.4363%	\$ 73,843	\$ 73,843	
ESIP	10,720,000	1.5010%	<u>9,684,573</u>	<u>984,959</u>	<u>\$ 8,699,614</u>
			<u>\$ 9,758,416</u>	<u>\$1,058,802</u>	<u>\$ 8,699,614</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,200,000		\$ 1,200,000	\$ 1,200,000	
Miscellaneous				1,264	\$ (1,264)
State Sources:					
Debt Service Aid Type II	729,339		729,339	729,339	
Total Revenues	1,929,339		1,929,339	1,930,603	(1,264)
EXPENDITURES:					
Regular Debt Service:					
Interest	2,241,991		2,241,991	2,241,991	
Total Expenditures	2,241,991		2,241,991	2,241,991	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(312,652)		(312,652)	(311,388)	(1,264)
Other Financing Sources:					
Interest Transferred From - Capital Projects Fund	312,652		312,652	2,666,632	2,353,980
Total Other Financing Sources	312,652		312,652	2,666,632	2,353,980
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures					
Fund Balance, July 1	1,325,554		1,325,554	2,355,244	2,352,716
Fund Balance, June 30	\$ 1,325,554	\$ -0-	\$ 1,325,554	\$ 3,680,798	\$ 2,352,716
Recapitulation:					
Restricted Fund Balance - Designated for Subsequent Year's Expenditures				\$ 1,325,554	
Restricted Fund Balance				2,355,244	
				\$ 3,680,798	

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the School provides and the activities it performs.

J-16 thru J-20

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	June 30,				
	2015	2016	2017	2018	2019
Governmental Activities:					
Net Investment in Capital Assets	\$ 68,237,797	\$ 69,244,827	\$ 70,432,489	\$ 64,373,948	\$ 66,135,874
Restricted	2,077,874	1,848,364	932,617	3,183,026	2,938,977
Unrestricted/(Deficit)	(35,356,656)	(37,474,573)	(41,390,483)	(39,544,086)	(39,840,119)
Total Governmental Activities Net Position	<u>\$ 34,959,015</u>	<u>\$ 33,618,618</u>	<u>\$ 29,974,623</u>	<u>\$ 28,012,888</u>	<u>\$ 29,234,732</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 261,002	\$ 281,029	\$ 271,779	\$ 207,986	\$ 181,994
Unrestricted	348,006	232,931	181,222	199,246	159,875
Total Business-Type Activities Net Position	<u>\$ 609,008</u>	<u>\$ 513,960</u>	<u>\$ 453,001</u>	<u>\$ 407,232</u>	<u>\$ 341,869</u>
District-Wide:					
Net Investment in Capital Assets	\$ 68,498,799	\$ 69,525,856	\$ 70,704,268	\$ 64,581,934	\$ 66,317,868
Restricted	2,077,874	1,848,364	932,617	3,183,026	2,938,977
Unrestricted/(Deficit)	(35,008,650)	(37,241,642)	(41,209,261)	(39,344,840)	(39,680,244)
Total District Net Position	<u>\$ 35,568,023</u>	<u>\$ 34,132,578</u>	<u>\$ 30,427,624</u>	<u>\$ 28,420,120</u>	<u>\$ 29,576,601</u>

	June 30,				
	2020	2021	2022	2023	2024
Governmental Activities:					
Net Investment in Capital Assets	\$ 67,953,730	\$ 59,373,803	\$ 64,624,515	\$ 68,438,193	\$ 68,422,536
Restricted	4,326,268	4,238,524	4,262,899	4,937,158	6,845,975
Unrestricted/(Deficit)	(39,048,062)	(26,100,275)	(25,337,074)	(25,947,271)	(23,905,243)
Total Governmental Activities Net Position	<u>\$ 33,231,936</u>	<u>\$ 37,512,052</u>	<u>\$ 43,550,340</u>	<u>\$ 47,428,080</u>	<u>\$ 51,363,268</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 162,836	\$ 131,692	\$ 108,576	\$ 80,421	\$ 70,731
Unrestricted	120,736	273,209	513,925	439,305	84,806
Total Business-Type Activities Net Position	<u>\$ 283,572</u>	<u>\$ 404,901</u>	<u>\$ 622,501</u>	<u>\$ 519,726</u>	<u>\$ 155,537</u>
District-Wide:					
Net Investment in Capital Assets	\$ 68,116,566	\$ 59,505,495	\$ 64,733,091	\$ 68,518,614	\$ 68,493,267
Restricted	4,326,268	4,238,524	4,262,899	4,937,158	6,845,975
Unrestricted/(Deficit)	(38,927,326)	(25,827,066)	(24,823,149)	(25,507,966)	(23,820,437)
Total District Net Position	<u>\$ 33,515,508</u>	<u>\$ 37,916,953</u>	<u>\$ 44,172,841</u>	<u>\$ 47,947,806</u>	<u>\$ 51,518,805</u>

Source: School District Financial Reports

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

		Fiscal Year Ended June 30,									
		2015	2016	2017	2018	2019	2019	2021	2022	2023	2024
Expenses:	Governmental Activities:										
	Instruction:										
	Regular	\$ 57,910,722	\$ 59,526,497	\$ 67,195,905	\$ 68,331,089	\$ 63,995,455	\$ 62,060,879	\$ 62,704,943	\$ 88,219,173	\$ 75,616,006	\$ 86,178,535
	Special Education	14,035,556	15,619,647	17,774,029	17,471,766	16,803,010	16,581,273	18,013,387	22,045,080	20,195,162	22,987,847
	Other Special Instruction	3,070,118	3,020,620	3,418,485	3,220,413	3,087,101	2,708,268	2,226,687	2,634,898	2,284,811	2,094,722
	School-Sponsored Instruction	2,025,116	2,021,715	2,261,364	2,362,269	2,256,499	2,391,272	2,314,355	2,008,880	1,931,342	2,312,175
	Support Services:										
	Tuition	4,745,980	5,121,501	5,750,419	5,960,449	7,335,532	7,015,380	7,171,960	7,487,964	7,851,105	6,621,430
	School Administrative Services	2,358,740	2,203,262	2,505,852	2,314,025	2,395,882	2,947,055	2,943,932	2,759,993	2,784,404	2,635,957
	Central Services	2,050,988	2,013,448	2,258,488	2,344,001	2,134,357	2,024,091	2,552,765	1,877,826	1,434,295	1,654,972
	Administrative Information Technology	1,011,762	1,212,581	1,232,712	1,255,705	1,366,579	1,241,864	1,349,278	1,209,237	1,154,332	1,344,241
	Plant Operations And Maintenance	9,855,524	10,270,734	11,127,101	11,492,712	12,933,955	11,675,129	13,252,878	12,026,941	12,829,832	12,252,640
	Pupil Transportation	4,762,678	4,850,939	5,542,086	4,920,476	7,250,517	6,657,707	3,691,149	8,968,947	10,559,266	8,146,770
	Capital Outlay	180,752							85,938	123,100	166,410
	Special Schools	156,178									
	Transfer to Charter School	10,420	10,448	43,223	33,016	42,971	18,393	19,165	133,021	93,401	141,715
	Interest On Long-Term Debt									979,785	3,287,579
	Unallocated Depreciation										
	Total Governmental Activities Expenses	\$ 142,182,000	\$ 149,507,716	\$ 168,081,344	\$ 167,845,559	\$ 165,675,799	\$ 161,329,125	\$ 164,485,819	\$ 192,266,067	\$ 177,880,849	\$ 191,652,414
Business-Type activities:	Food Service	\$ 1,242,173	\$ 1,269,749	\$ 1,280,854	\$ 1,513,737	\$ 1,547,031	\$ 1,226,186	\$ 568,999	\$ 1,822,462	\$ 1,886,057	\$ 2,106,608
	Provisional Teacher	69,983	76,134	61,175	26,820	51,040	27,500	29,500	51,500	57,360	81,667
	Summer Programs		11,720	210,340	312,763	320,478	345,103	16,860	232,747	229,028	306,458
	Total Business-Type Activities Expense	\$ 1,312,156	\$ 1,357,603	\$ 1,552,369	\$ 1,853,320	\$ 1,918,549	\$ 1,598,789	\$ 615,359	\$ 2,106,709	\$ 2,172,445	\$ 2,494,733
	Total District Expenses	\$ 143,494,156	\$ 150,865,319	\$ 169,633,713	\$ 169,698,879	\$ 167,594,348	\$ 162,927,914	\$ 165,101,178	\$ 194,375,776	\$ 180,053,294	\$ 194,147,147
Program Revenues:	Governmental Activities:										
	Charges For Services:										
	Tuition	\$ 58,083	\$ 41,743	\$ 40,739	\$ 167,105	\$ 93,643	\$ 103,243	\$ 71,680	\$ 29,895	\$ 29,456	\$ 1,536
	Student & Instruction Related Services										
	Special Schools	108,719									
	Pupil Transportation			6,572							
	Operating Grants and Contributions	32,701,958	38,048,010	50,727,530	54,167,407	44,827,895	40,115,416	44,893,550	68,535,856	50,884,781	58,708,589
	Capital Grants and Contributions	1,731,544	2,017,080	2,203,366	2,027,323	3,935,989	3,067,311	1,299,430	4,210,506	546,007	614,139
	Total Governmental Activities Program Revenues	\$ 34,600,304	\$ 40,106,833	\$ 52,978,207	\$ 56,361,835	\$ 48,857,527	\$ 43,285,970	\$ 46,629,737	\$ 73,250,613	\$ 52,208,724	\$ 60,141,094

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2019	2021	2022	2023	2024
Program Revenues:										
Business-Type Activities:										
Food Service	\$ 603,845	\$ 556,400	\$ 524,296	\$ 739,059	\$ 838,844	\$ 581,470	\$ 23,050	\$ 179,087	\$ 885,988	\$ 995,140
Provisional Teacher	69,735	66,250	41,460	26,500	40,800	44,150	59,550	80,866	91,513	41,200
Summer Programs	583,235	547,337	179,056	310,264	310,667	319,223	16,800	187,422	258,035	316,681
Operating Grants and Contributions	1,256,815	1,169,987	542,509	550,354	545,382	446,495	618,568	1,833,838	795,601	774,295
Total Business-Type Activities Program Revenues										
Total District Program Revenues	\$ 35,857,119	\$ 41,276,820	\$ 54,265,528	\$ 57,988,012	\$ 50,593,220	\$ 44,677,308	\$ 47,347,705	\$ 75,531,826	\$ 54,239,861	\$ 62,268,410
Net (Expense)/Revenue Governmental Activities	\$ (107,581,696)	\$ (109,400,883)	\$ (115,103,137)	\$ (111,483,724)	\$ (116,818,272)	\$ (118,043,155)	\$ (117,856,082)	\$ (119,015,454)	\$ (125,672,125)	\$ (131,511,320)
Net (Expense)/Revenue Business-Type Activities	(55,341)	(187,616)	(265,048)	(227,143)	(182,856)	(207,451)	102,609	174,504	(141,308)	(367,417)
Total District-Wide Net Expense	\$ (107,637,037)	\$ (109,588,499)	\$ (115,368,185)	\$ (111,710,867)	\$ (117,001,128)	\$ (118,250,606)	\$ (117,753,473)	\$ 118,840,950	\$ (125,813,433)	\$ (131,878,737)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 101,492,086	\$ 105,704,008	\$ 109,921,598	\$ 112,636,548	\$ 115,941,279	\$ 118,260,105	\$ 120,625,307	\$ 123,037,813	\$ 125,498,569	\$ 128,008,540
Taxes Levied for Debt Service	1,477,037	1,510,302	1,619,868	1,521,257	1,185,833	1,163,802	1,158,116	382,298	1,134,706	1,157,874
Federal and State Aid not Restricted	98,740									
Prior Year Accounts Payable Canceled	2,177,858	938,497	581,255	672,760	1,009,936	1,972,974	365,404	524,614	2,952,890	5,080,094
Miscellaneous Income	(100,830)	(92,321)	(203,668)	(224,425)	(116,397)	(127,038)	(18,585)	(42,848)	(36,300)	
Transfers										
Total Governmental Activities	105,144,891	108,060,486	111,919,053	114,606,140	118,020,651	121,269,843	122,130,242	123,901,877	129,549,865	135,446,508
Business-Type Activities:										
Investment Earnings	190	247	421	1,042	1,096	720	135	248	2,232	3,228
Miscellaneous	105,165									
Allowance for Doubtful Accounts	(75,000)									
Other Items										
Transfers	100,830	92,321	203,668	13,947	116,397	21,396	18,585	42,848	36,300	3,228
Total Business-Type Activities	131,185	92,568	204,089	239,414	117,493	149,154	18,720	43,096	38,532	
Total District-Wide	\$ 105,276,076	\$ 108,153,054	\$ 112,123,142	\$ 114,845,554	\$ 118,138,144	\$ 121,418,997	\$ 122,148,962	\$ 123,944,973	\$ 129,588,397	\$ 135,449,736
Change in Net Position:										
Governmental Activities	\$ (2,436,805)	\$ (1,340,397)	\$ (3,184,084)	\$ 3,122,416	\$ 1,202,379	\$ 3,226,688	\$ 4,274,160	\$ 4,886,423	\$ 3,877,740	\$ 3,935,188
Business-Type Activities	75,844	(95,048)	(60,959)	12,271	(65,363)	(58,297)	121,329	217,600	(102,776)	(364,189)
Total District	\$ (2,360,961)	\$ (1,435,445)	\$ (3,245,043)	\$ 3,134,687	\$ 1,137,016	\$ 3,168,391	\$ 4,395,489	\$ 5,104,023	\$ 3,774,964	\$ 3,570,999

Source: School District Financial Reports

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	June 30,				
	2015	2016	2017	2018	2019
General Fund:					
Restricted	\$ 2,021,071	\$ 2,013,090	\$ 1,277,073	\$ 3,183,026	\$ 2,938,977
Assigned	724,878	989,770	492,636	2,249,784	877,110
Unassigned	1,766,252	1,674,878	1,633,232	2,720,300	2,974,080
Total General Fund	<u>\$ 4,512,201</u>	<u>\$ 4,677,738</u>	<u>\$ 3,402,941</u>	<u>\$ 8,153,110</u>	<u>\$ 6,790,167</u>
All Other Governmental Funds:					
Restricted	\$ 1,108,168				
Unassigned/(Deficit)		\$ (188,978)	\$ (372,589)	\$ (378,664)	(399,291)
Total All Other Governmental Funds/(Deficit)	<u>\$ 1,164,971</u>	<u>\$ (164,717)</u>	<u>\$ (344,456)</u>	<u>\$ (378,664)</u>	<u>\$ 628,791</u>
Total All Funds	<u>\$ 5,677,172</u>	<u>\$ 4,513,021</u>	<u>\$ 3,058,485</u>	<u>\$ 7,774,446</u>	<u>\$ 7,418,958</u>

	June 30,				
	2020	2021	2022	2023	2024
General Fund:					
Restricted	\$ 3,956,858	\$ 3,834,521	\$ 2,615,854	\$ 2,472,143	\$ 2,429,250
Assigned	2,245,120	3,337,331	5,138,292	1,302,415	4,591,250
Unassigned	2,847,421	5,275,535	1,740,186	4,615,897	2,008,238
Total General Fund	<u>\$ 9,049,399</u>	<u>\$ 12,447,387</u>	<u>\$ 9,494,332</u>	<u>\$ 8,390,455</u>	<u>\$ 9,028,738</u>
All Other Governmental Funds:					
Restricted	\$ 375,366	\$ 7,613,425	\$ 4,607,544	\$ 72,141,317	\$ 64,997,230
Assigned					950,000
Committed	20,628	180,365	195,262	94,542	249,392
Unassigned/(Deficit)	(399,291)			(101,060)	(212,119)
Total All Other Governmental Funds/(Deficit)	<u>\$ (3,297)</u>	<u>\$ 7,793,790</u>	<u>\$ 4,802,806</u>	<u>\$ 72,134,799</u>	<u>\$ 65,984,503</u>
Total All Funds	<u>\$ 9,046,102</u>	<u>\$ 20,241,177</u>	<u>\$ 14,297,138</u>	<u>\$ 80,525,254</u>	<u>\$ 75,013,241</u>

Source: School District Financial Reports

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Tax Levy	\$ 101,492,086	\$ 105,704,008	\$ 109,921,598	\$ 112,636,548	\$ 115,941,279	\$ 118,260,105	\$ 120,625,307	\$ 123,037,813	\$ 125,498,569	\$ 129,208,540
Miscellaneous	4,582,287	3,262,815	1,036,493	1,118,230	1,228,492	2,311,923	889,442	1,141,953	3,759,528	5,930,322
State Sources	18,966,267	21,031,329	23,756,709	26,275,848	29,778,109	30,698,193	35,560,876	45,079,959	48,064,629	49,225,653
Federal Sources	2,587,313	2,737,851	2,747,845	2,349,697	2,658,073	2,354,949	3,457,752	9,135,448	5,472,133	4,024,837
Total Revenue	127,627,953	132,736,003	137,462,645	142,380,323	149,605,953	153,625,170	160,533,377	178,395,175	182,794,859	188,389,352
Expenditures:										
Regular Instruction	39,336,934	37,622,800	38,597,011	39,240,747	39,686,743	40,461,073	39,955,377	48,256,102	46,088,375	47,026,686
Special Education Instruction	9,531,955	10,158,894	10,304,567	9,932,543	10,539,971	10,735,761	11,440,572	11,062,205	12,087,021	12,536,477
Other Instruction	2,061,075	2,004,902	2,068,291	1,951,708	2,030,686	1,830,996	1,455,854	1,487,639	1,385,915	1,155,025
School-Sponsored Instruction	1,470,382	1,391,942	1,392,876	1,454,363	1,494,818	1,615,837	1,540,662	1,602,227	1,636,352	1,831,912
Support Services:										
Tuition	4,745,980	5,121,501	5,750,419	5,960,449	7,335,532	7,015,380	7,171,960	7,487,964	7,851,105	6,621,430
Student and Instruction Related Services	21,224,914	22,622,671	22,995,689	22,504,370	23,301,465	24,449,945	25,999,532	24,080,954	24,349,816	23,676,532
Central Services	1,399,045	1,990,035	1,342,054	1,314,916	1,363,776	1,328,422	1,359,176	1,463,379	1,333,525	1,422,950
Administrative Information Technology	725,469	4,612,683	803,152	798,073	838,030	758,215	834,524	879,808	937,730	993,572
General Administrative Services	2,172,875	1,310,991	2,081,026	1,879,769	2,074,750	2,528,679	2,459,035	2,400,262	2,414,055	2,306,239
School Administrative Services	4,505,564	843,050	4,732,220	4,578,561	4,787,560	4,812,556	4,861,129	5,217,892	5,297,319	5,317,285
Plant Operations And Maintenance	7,856,149	7,803,481	7,935,925	8,027,385	9,717,222	8,833,502	10,216,526	10,682,242	12,205,594	11,415,780
Pupil Transportation	4,643,965	4,708,140	5,290,632	4,702,946	7,066,626	6,543,608	3,555,992	9,013,106	10,548,694	8,102,805
Unallocated Benefits	27,210,100	29,818,675	33,415,259	35,503,265	39,199,306	40,443,259	45,651,292	55,713,385	54,322,819	58,747,443
Debt Service:										
Interest And Other Charges										2,241,991
Special Schools	156,178									
Transfer to Charter Schools	10,420	10,448	43,223	33,016	42,971	18,393	19,165	133,021	93,401	141,715
Capital Outlay	3,515,868	4,098,791	3,616,859	2,181,404	4,261,714	4,684,478	4,688,693	7,431,886	5,978,722	10,363,523
Total Expenditures	130,566,873	134,119,004	140,369,203	140,063,515	153,741,170	156,060,104	161,209,489	186,912,072	186,530,443	193,901,365
Excess/(Deficiency) Of Revenues Over/(Under) Expenditures	(2,938,920)	(1,383,001)	(2,906,558)	2,316,808	(4,135,217)	(2,434,934)	(676,112)	(8,516,899)	(3,735,584)	(5,512,013)
Other Financing Sources/(Uses):										
Bond Proceeds									70,000,000	
Financed Purchases (Non-Budgeted)	301,432	269,429	97,140	1,993,588	3,896,126	360,000		2,615,708		
Montclair Improvement Authorization			2,203,366			3,033,179	1,169,772			
ESIP Financed Purchases Proceeds						10,720,000	10,720,000			
Transfers In	2,384,926	11,215	463	2,438	1,020,165	88,052	160,729	60,699		3,209,140
Transfers Out	(2,485,756)	(61,803)	(204,131)	(226,863)	(1,136,562)	(215,090)	(179,314)	(103,547)	(36,300)	(3,209,140)
Total Other Financing Sources/(Uses)	200,602	218,841	2,096,838	1,769,163	3,779,729	3,266,141	11,871,187	2,572,860	69,963,700	
Net Change In Fund Balances	\$ (2,738,318)	\$ (1,164,160)	\$ (809,720)	\$ 4,085,971	\$ (355,488)	\$ 831,207	\$ 11,195,075	\$ (5,944,039)	\$ 66,228,116	\$ (5,512,013)
Debt Service As A Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.22%

Source: School District Financial Reports

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Rentals- Use of Facilities</u>	<u>Prior Year Refunds</u>	<u>Other</u>	<u>Total</u>
2014	\$ 59,993	\$ 67,944	\$ 107,772	\$ 202,391	\$ 440,865	\$ 878,965
2015	37,710	58,083	125,326	1,896,152 *	326,129	2,443,400
2016	43,155	41,743	41,057	651,887 *	202,142	979,984
2017	55,980	40,739	111,106	158,998	261,280	628,103
2018	205,962	167,105	100,965	106,132	257,263	837,427
2019	407,443	93,643	163,536	188,857	237,390	1,090,869
2020	297,216	103,243	48,139	1,215,186 #	400,880	2,064,664
2021	23,709	71,680	12,364	184,863	143,477	436,093
2022	25,795	29,895	83,351	260,043	155,425	554,509
2023	564,010	29,456	37,209	404,229	129,287	1,164,191
2024	725,471	1,536	81,943	27,479	155,257	991,686

* - Includes a refund from Horizon Blue Cross

- Includes a final settlement from prior health benefits plan provider

Source: Montclair Township School District records

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended Dec. 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2014	\$ 16,727,600	\$ 4,879,173,310	\$ 584,383,400	\$ 4,539,200	\$ 249,503,700	\$ 5,734,327,210	\$ 657,086,100	\$ 8,380,841	\$ 5,742,708,051	\$ 1.87	\$ 6,519,107,090
2015	17,538,800	4,883,842,510	577,300,700	4,539,200	246,801,000	5,730,022,210	657,073,600	7,948,928	5,737,971,138	1.97	6,746,283,622
2016	17,238,900	4,879,919,300	569,184,400	3,891,000	240,140,600	5,710,374,200	672,102,200	8,386,600	5,718,760,800	2.05	6,805,822,663
2017	16,524,600	4,895,004,400	563,938,000	3,891,000	243,149,800	5,722,507,800	699,897,000	8,116,600	5,730,624,400	2.11	7,107,693,577
2018 *	22,525,800	5,998,997,600	692,562,000	7,212,800	308,366,600	7,029,664,800	912,136,400	10,160,600	7,039,825,400	1.75	7,359,549,675
2019	27,821,000	6,008,889,700	693,121,700	7,212,800	313,571,400	7,050,616,600	910,875,000	9,411,300	7,060,027,900	1.79	7,836,749,193
2020	28,846,400	6,025,614,100	690,123,600	5,023,000	321,723,500	7,071,330,600	790,819,700	9,422,700	7,080,753,300	1.82	7,923,346,758
2021	26,461,900	6,038,567,900	693,817,200	5,023,000	328,114,900	7,091,984,900	779,715,500	9,629,400	7,101,614,300	1.85	8,077,971,840
2022	26,315,900	6,064,804,300	697,834,200	5,023,000	326,194,900	7,120,172,300	834,472,500	9,003,189	7,129,175,489	1.88	8,649,180,767
2023	28,920,700	6,090,214,000	697,806,700	5,023,000	326,272,200	7,148,236,600	833,916,400	8,369,200	7,156,605,800	1.92	9,886,603,937

* - Revaluation year.

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 of assessed value.

Source: Municipal Tax Assessor

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Montclair Township School District											
Year Ended December 31,	Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate					
	General		Total Direct	Montclair Township	Essex County						
	Basic Rate ^a	Obligation Debt Service ^b									
2014	\$	1.87		\$	1.87	\$	0.95	\$	0.59	\$	3.41
2015		1.97			1.97		0.95		0.61		3.53
2016		2.05			2.05		0.96		0.62		3.63
2017		2.11			2.11		0.98		0.64		3.73
2018	*	1.75	*		1.75	*	0.82	*	0.52	*	3.09
2019		1.79			1.79		0.82		0.54		3.15
2020		1.82			1.82		0.82		0.54		3.18
2021		1.85			1.85		0.84		0.55		3.23
2022		1.88			1.88		0.85		0.56		3.29
2023		1.92			1.92		0.87		0.59		3.38

* - Revaluation year.

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.

Source: Municipal Tax Collector and School Business Administrator

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2024		2015	
Taxpayer	Taxable Assessed Value	Taxpayer	Taxable Assessed Value
Rockcliffe Apartments	\$ 18,757,000	Rockcliff Apartments	\$ 15,146,300
Belclaire LLC	14,449,200	Lackawanna Associates	15,000,000
Rockledge 36, LLC	14,209,100	Hawthorne Towers	11,448,200
Montclairion Associates LP (% Atlantic)	10,823,800	Richard Grabowsky, LLC	10,985,400
Orange Pavilion, LLC	10,764,800	Princeton BK & Industry Constg. Group	10,786,600
First Montclair LLC (% Empire MGMT)	10,327,600	Bellclaire, LLC	10,649,300
45 Church St Assoc (% Afflia MGMT)	10,126,800	Orange Pavillion	9,250,000
BDP Lackawanna LLC	10,000,000	45 Church St. Associates	8,500,000
MKM Holdings LLC	9,292,800	Midland Realty Assoc	7,712,600
147 Bloomfield Ave JV, LLC	8,951,000	Gordonhurst Assoc.	6,688,400
Total	\$ 117,702,100		\$ 106,166,800
	1.65 %		1.85 %

Source: Municipal Tax Assessor

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 101,495,086	\$ 101,495,086	100.00%	\$ -0-
2016	105,704,008	105,704,008	100.00%	-0-
2017	109,921,598	109,921,598	100.00%	-0-
2018	112,636,548	112,636,548	100.00%	-0-
2019	115,941,279	115,941,279	100.00%	-0-
2020	118,260,105	118,260,105	100.00%	-0-
2021	120,625,307	120,625,307	100.00%	-0-
2022	123,037,813	123,037,813	100.00%	-0-
2023	125,498,569	125,498,569	100.00%	-0-
2024	129,208,540	129,208,540	100.00%	-0-

- a. 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.

Source: Montclair Township School District records including the Certificate and Report of School Taxes (A4F Form)

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipation Notes (BANs)	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Financed Purchases					
2015	\$ -0-	\$ 251,561		\$ -0-	\$ 251,561	0.01 %	\$ 7
2016	-0-	370,546		-0-	370,546	0.02 %	10
2017	-0-	295,855		-0-	295,855	0.01 %	8
2018	-0-	125,776		-0-	125,776	0.01 %	3
2019	-0-	39,649		-0-	39,649	0.00 %	1
2020	-0-	305,184		-0-	305,184	0.01 %	8
2021	-0-	10,936,302		-0-	10,936,302	0.43 %	267
2022	-0-	10,535,854		-0-	10,535,854	0.35 %	265
2023	70,000,000	9,758,416		-0-	79,758,416	2.64 %	2,004
2024	70,000,000	8,699,614		-0-	78,699,614	2.60 %	1,978

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

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

Source: School District Financial Reports

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation		Net General Bonded Debt		
	Bonds	Deductions	Outstanding		
2015	\$ -0-	\$ -0-	\$ -0-	0.00 %	\$ -0-
2016	-0-	-0-	-0-	0.00 %	-0-
2017	-0-	-0-	-0-	0.00 %	-0-
2018	-0-	-0-	-0-	0.00 %	-0-
2019	-0-	-0-	-0-	0.00 %	-0-
2020	-0-	-0-	-0-	0.00 %	-0-
2021	-0-	-0-	-0-	0.00 %	-0-
2022	-0-	-0-	-0-	0.00 %	-0-
2023	70,000,000	-0-	70,000,000	0.98 %	1,759
2024	70,000,000	-0-	70,000,000	0.98 %	1,759

Source: School District Financial Reports

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Montclair	\$ 69,798,256	100.00%	\$ 69,798,256
Essex County General Obligation Debt	671,990,780	9.31%	<u>62,595,150</u>
Subtotal, Overlapping Debt			132,393,406
Montclair School District Direct Debt			<u>70,000,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 202,393,406</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Essex County Board of Taxation; debt outstanding data provided by each governmental unit.

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 Montclair. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of Montclair Township's equalized property value that is within the Essex County's boundaries and dividing it by Essex County's total equalized property value.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2023

<u>Equalized Valuation Basis</u>	<u>Montclair Township</u>
2023	\$10,710,573,269
2022	9,824,992,825
2021	8,592,179,428
	<u>\$29,127,745,522</u>
Average Equalized Valuation of Taxable Property	<u>\$ 9,709,248,507</u>
Debt Limit (4% of Average Equalization Value) ^a	\$ 388,369,940
Net Bonded School Debt - June 30, 2024	<u>70,000,000</u>
Legal Debt Margin	<u>\$ 318,369,940</u>

Montclair Township Debt Information

	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 266,007,265	\$ 264,469,326	\$ 267,474,394	\$ 274,796,198	\$ 282,475,277
Total Net Debt Applicable to Limit	<u>71,192,725</u>	<u>72,870,022</u>	<u>67,789,226</u>	<u>70,852,863</u>	<u>71,214,780</u>
Legal Debt Margin	<u>\$ 194,814,540</u>	<u>\$ 191,599,304</u>	<u>\$ 199,685,168</u>	<u>\$ 203,943,335</u>	<u>\$ 211,260,497</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	26.76%	27.55%	25.34%	25.78%	25.21%

	<u>Fiscal Year</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt Limit	\$ 295,500,638	\$ 306,237,077	\$ 315,983,633	\$ 326,796,700	\$ 388,369,940
Total Net Debt Applicable to Limit	<u>74,314,083</u>	<u>73,580,409</u>	<u>72,480,501</u>	<u>70,000,000</u>	<u>70,000,000</u>
Legal Debt Margin	<u>\$ 221,186,555</u>	<u>\$ 232,656,668</u>	<u>\$ 243,503,132</u>	<u>\$ 256,796,700</u>	<u>\$ 318,369,940</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	25.15%	24.03%	22.94%	21.42%	18.02%

^a - Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts.

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,
Department of Treasury, Division of Taxation.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Personal Income ^b	Essex County Per Capita Personal Income ^c	Unemployment Rate ^d
2014	37,834	\$ 2,161,569,922	\$ 57,133	5.20%
2015	37,862	2,248,813,490	59,395	4.30%
2016	38,502	2,338,418,970	60,735	4.00%
2017	38,691	2,424,339,369	62,659	3.80%
2018	38,721	2,459,596,641	63,521	3.20%
2019	38,724	2,552,957,148	65,927	2.70%
2020	38,509	2,714,768,973	70,497	7.20%
2021	40,935	3,041,879,850	74,310	4.80%
2022	39,821	3,023,767,814	75,934	2.80%
2023	39,797	3,021,945,398 ***	75,934 *	3.70%
2024	39,797 **	3,021,945,398 ***	75,934 *	N/A

* - Latest Essex County per capita personal income available (2022) was used for calculation purposes.

** - Latest population data available (2023) was used for calculation purposes.

***- Latest available population data (2023) and latest available Essex County per capita personal income (2022) was used for calculation purposes.

N/A - Information not available

Source:

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

b Personal income has been estimated based upon the municipal population and per capita personal income presented

c Per capita personal income by municipality estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2024			2015		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment

INFORMATION IS NOT AVAILABLE

Source: Various Agencies of the Township

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction:										
Regular	467.9	470.9	480.4	458.6	449.6	450.9	449.7	440.0	441.0	427.0
Special Education	143.6	141.8	134.6	132.7	134.6	146.0	146.5	183.0	181.0	180.0
Support Services:										
Student & Instruction Related Services	301.4	336.7	343.5	328.6	330.2	349.6	366.5	362.1	323.0	315.0
School Administrative Services	49.5	48.5	49.0	45.5	45.5	48.5	45.5	45.5	45.5	45.5
General and Business Administrative Services	3.0	3.0	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Plant Operations and Maintenance	61.0	62.0	63.0	65.0	65.0	67.0	66.0	66.0	66.0	66.0
Pupil Transportation	3.0	3.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Business and Other Support Services	20.7	20.7	20.0	22.7	22.7	19.0	19.0	19.3	19.3	19.3
Total	1,050.1	1,087.0	1,098.8	1,061.4	1,055.9	1,089.3	1,101.5	1,124.2	1,084.1	1,061.1

Source: District Personnel Records

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	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
						Elementary	Middle	High				
2014	6,736	\$ 122,804,156	\$ 18,231	0.82 %	568	10.4:1	7.7:1	10.2:1	6,736	6,445	1.03 %	95.68 %
2015	6,685	127,051,005	19,005	4.25 %	572	10.1:1	8.2:1	9.7:1	6,568	6,099	-2.49 %	92.86 %
2016	6,695	130,020,213	19,420	2.18 %	581	12.5:1	9.7:1	12.3:1	6,671	6,300	1.57 %	94.44 %
2017	6,626	136,752,344	20,639	6.27 %	584	10.5:1	8.5:1	10.8:1	6,673	6,324	0.03 %	94.77 %
2018	6,635	137,882,111	20,781	0.69 %	568	12.1:1	9.7:1	12.9:1	6,664	6,323	-0.13 %	94.88 %
2019	6,659	149,479,456	22,448	8.02 %	576	12.1:1	9.7:1	12.9:1	6,664	6,323	0.00 %	94.88 %
2020	6,589	151,375,626	22,974	2.34 %	573	11.5:1	10.0:1	12.9:1	6,617	6,374	-0.71 %	96.34 %
2021	6,396	156,520,796	24,472	6.52 %	569	11.1:1	9.7:1	12.9:1	6,254	6,056	-5.48 %	96.83 %
2022	6,048	179,480,186	29,676	21.27 %	623	9.3:1	8.8:1	12.2:1	6,001	5,644	-9.31 %	94.05 %
2023	6,039	180,551,721	29,898	0.75 %	622	9.5:1	8.6:1	11.0:1	6,082	5,738	1.35 %	94.34 %
2024	6,011	181,295,851	30,161	0.88 %	607	8.3:1	8.6:1	12.4:1	5,982	5,655	1.64 %	94.53 %

Source: Montclair Township School District records

Note: Enrollment based on annual October district count.

^a Operating expenditures equal total expenditures less debt service and capital outlay.

^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).

^d Cost per pupil is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from the State's cost per pupil calculations.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

<u>District Building</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Montclair High School										
Square Feet	352,119	352,119	352,119	352,119	352,119	352,119	352,119	352,119	352,119	352,119
Capacity (students)	1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,631
Enrollment	1,946	2,018	2,029	2,047	2,071	2,035	2,025	1,991	1,958	1,968
Glenfield Middle School										
Square Feet	125,281	125,281	125,281	125,281	125,281	125,281	125,281	125,281	125,281	125,281
Capacity (students)	704	704	704	704	704	704	704	704	704	704
Enrollment	680	649	640	641	674	668	654	621	539	529
Buzz Aldrin Middle School										
Square Feet	126,568	126,568	126,568	126,568	126,568	126,568	126,568	126,568	126,568	126,568
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment	646	642	659	658	658	665	661	624	607	613
Renaissance Middle School										
Square Feet	37,167	37,167	37,167	37,167	37,167	37,167	37,167	37,161	37,161	37,161
Capacity (students)	345	345	345	345	345	345	345	345	345	345
Enrollment	276	284	289	280	256	247	242	226	222	204
Bradford Elementary School										
Square Feet	58,129	58,129	58,129	58,129	58,129	58,129	58,129	58,129	58,129	58,129
Capacity (students)	345	345	345	345	345	345	345	354	354	354
Enrollment	441	431	426	430	436	413	389	361	381	378
Bullock Elementary School										
Square Feet	84,017	84,017	84,017	84,017	84,017	84,017	84,017	84,017	84,017	84,017
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	481	463	439	448	448	466	434	424	424	431

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

<u>District Building</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Edgemont Elementary School										
Square Feet	34,638	34,638	34,638	34,638	34,638	34,638	34,638	34,638	34,638	34,638
Capacity (students)	312	312	312	312	312	312	312	312	312	312
Enrollment	396	284	288	283	291	276	237	236	260	255
Hillside Elementary School										
Square Feet	125,799	125,799	125,799	125,799	125,799	125,799	125,799	125,799	125,799	125,799
Capacity (students)	680	680	680	680	680	680	680	680	680	680
Enrollment	531	560	587	591	521	535	535	439	455	454
Nishuane Elementary School										
Square Feet	87,440	87,440	87,440	87,440	87,440	87,440	87,440	87,440	87,440	87,440
Capacity (students)	663	663	663	663	663	663	663	663	663	666
Enrollment	467	489	458	423	394	461	428	411	434	413
Northeast Elementary School										
Square Feet	56,549	56,549	56,549	56,549	56,549	56,549	56,549	56,549	56,549	56,549
Capacity (students)	380	380	380	380	380	380	380	380	380	380
Enrollment	442	441	436	415	416	408	391	335	363	376
Watchung Elementary School										
Square Feet	52,109	52,109	52,109	52,109	52,109	52,109	52,109	52,109	52,109	52,109
Capacity (students)	312	312	312	312	312	312	312	312	312	312
Enrollment	448	441	439	432	426	415	400	380	396	390

N/A- Not Applicable

Number of Schools at June 30, 2024

 Elementary = 7

 Middle School = 3

 High School = 1

Note: Enrollment is based on October District count.

Source: Montclair Township School District Facilities Office

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures:
 Required Maintenance for School Facilities (11-000-261-XXX)

School Facilities *	2015	2016	2017	2018	2019
Bradford Elementary School	\$ 37,641	\$ 35,946	\$ 23,657	\$ 70,566	\$ 88,175
Bullock Elementary School	68,502	41,652	31,932	39,862	31,715
Edgemont Elementary School	32,790	27,907	38,554	27,947	125,787
Glenfield Middle School	103,155	122,785	90,628	116,527	78,449
Hillside Elementary School	84,818	58,285	51,443	68,343	172,021
Montclair High School	266,067	279,625	277,444	321,473	476,500
Buzz Aldrin Middle School	34,966	12,693	135,193	47,739	66,341
Nishuane Elementary School	42,586	61,091	25,059	51,998	72,105
Northeast Elementary School	56,390	51,954	71,012	1,275	80,527
Renaissance Middle School	36,368	61,288	40,343	55,057	45,224
Watchung Elementary School	40,991	29,641	54,262	121,022	100,427
	<u>\$ 804,274</u>	<u>\$ 782,867</u>	<u>\$ 839,527</u>	<u>\$ 921,809</u>	<u>\$1,337,271</u>

School Facilities *	2020	2021	2022	2023	2024
Bradford Elementary School	\$ 59,008	\$ 40,699	\$ 129,505	\$ 50,522	\$ 53,373
Bullock Elementary School	49,764	42,865	238,408	34,749	36,709
Edgemont Elementary School	49,284	29,793	140,175	27,893	29,467
Glenfield Middle School	171,152	56,851	225,571	182,158	192,435
Hillside Elementary School	73,593	345,487	280,836	151,792	160,356
Montclair High School	435,569	464,318	444,565	366,864	387,563
Buzz Aldrin Middle School	69,830	256,859	232,806	90,304	95,399
Nishuane Elementary School	41,829	82,960	200,979	75,311	79,560
Northeast Elementary School	175,386	49,996	197,269	58,987	62,315
Renaissance Middle School	67,715	39,853	114,837	89,485	94,533
Watchung Elementary School	59,620	42,675	159,641	57,192	60,419
	<u>\$1,252,750</u>	<u>\$1,452,356</u>	<u>\$2,364,592</u>	<u>\$1,185,257</u>	<u>\$1,252,129</u>

* School facilities as defined under EFCFA. (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: Montclair Township School District records

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2024
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
New Jersey Schools Insurance Group:		
Property - Blanket Building & Contents	\$ 500,000,000	\$ 25,000
Comprehensive General Liability	31,000,000	
Aggregate	3,000,000	
Comprehensive Automobile Liability	31,000,000	
Excess Liability Coverage	10,000,000	
Boiler and Machinery - Property Damage	Included	
Board of Education Legal Liability Coverage A (E&O and EPLI)	31,000,000	250,000
Aggregate	3,000,000	
Board of Education Legal Liability Coverage B	100,000	25,000
Aggregate	300,000	
Cyber Liability Each Event Limit	1,000,000	25,000
Privacy Crisis Management	100,000	
Public Employees' Faithful Performance Blanket Position Bond	1,000,000	1,000
Computer Fraud	1,000,000	1,000
Umbrella Liability Excess (Included in GL & AL limits)		
Environmental Impairment Liability:		
Ironshore Specialty Insurance Co.	1,000,000	50,000
Aggregate	11,000,000	
Worker's Compensation - Self Insured		
Excess Worker's Compensation -		
Star Insurance Company		
Workers Compensation	Statutory	
Employers Liability	1,000,000	
Self Insured Retention		500,000
Cash Flow Protection Endorsement	250,000	
Edwin Brown - Assistant Business Administrator	250,000	
Christina Hunt - Business Administrator	550,000	

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2024
UNAUDITED

Flood	<u>Coverage</u>	<u>Deductible</u>
High School Limit for Building & Contents each	\$ 500,000	\$ 2,000
Rand School Limit for Building & Contents each	500,000	1,250
Northeast School Limit for Building & Contents each	500,000	1,250
Student & Athletic Insurance - Liberty Insurance:	500,000	
Limit including all sports activities - Standard Plan, Medical	25,000	
Benefit Period - 3 years		
Limit including all sports activities - Excess Coverage Plan, Medical	5,000,000	25,000
Benefit Period - 10 years		
Catastrophic Cash	1,000,000	

Source: Montclair Township School District records.

SINGLE AUDIT SECTION

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 Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montclair Township School District, in the County of Essex (the "District") as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2024.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

The Honorable President and Members
of the Board of Education
Montclair Township School District
Page 2

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

December 12, 2024
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant



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**Report on Compliance For Each Major Federal and State Program;
 Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08**

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Montclair Township School District's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* (NJOMB 15-08). Our responsibilities under those standards, the Uniform Guidance and NJOMB 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 District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

The Honorable President and Members
 of the Board of Education
 Montclair Township School District
 Page 2

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

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

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

Report on Internal Control Over Compliance

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

The Honorable President and Members
of the Board of Education
Montclair Township School District
Page 3

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

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

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

December 12, 2024
Mount Arlington, New Jersey

Nisivoccia LLP

NISIVOCCIA LLP

Valerie A. Dolan

Valerie A. Dolan

Licensed Public School Accountant #2526

Certified Public Accountant

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2023		Cash Received	Budgetary Expenditures	Prior Year Encumbrance Canceled	Adjustment	Balance at June 30, 2024		Amount Provided to Subrecipients
			From	To		(Accounts Receivable)	Unearned Revenue					(Accounts Receivable)	Unearned Revenue	
U.S. Department of Education - Passed-through														
State Department of Education:														
Special Revenue Fund:														
Special Education Cluster (IDEA):														
IDEA - Part B, Basic Regular	84.027A	IDEA-3310-24	7/1/23	9/30/24	\$ 1,954,675			\$1,370,761	\$ (1,845,651)			\$ (474,890)		
IDEA - Part B, Basic Regular	84.027A	IDEA-3310-23	7/1/22	9/30/23	1,883,280	\$ (271,291)		750,881	(533,811)	\$ 54,221				
IDEA - Part B, Preschool	84.173	IDEA-3310-24	7/1/23	9/30/24	72,730			30,129	(44,760)			(14,631)		
IDEA - Part B, Preschool	84.173	IDEA-3310-23	7/1/22	9/30/23	69,074	(2,821)		40,322	(36,605)				\$ 896	
COVID 19 -ARP - IDE.A. Part B, Basic	84.027X	IDEA-3310-22	7/1/21	9/30/23	375,294	(129,140)		223,278	(119,095)	42,602			17,645	
COVID 19 -ARP - IDE.A. Part B, Preschool	84.173X	IDEA-3310-22	7/1/21	9/30/23	31,995	(31,995)		2,447,366	(2,579,922)	96,823		(489,521)		18,541
Subtotal Special Education Cluster (IDEA)														
Elementary and Secondary Education Act:														
Title I, Part A	84.010	ESEA-3310-24	7/1/23	9/30/24	679,555				(319,277)			(319,277)		
Title I, Part A	84.010	ESEA-3310-23	7/1/22	9/30/23	1,273,682	(604,523)		811,663	(196,059)	46			11,127	
Subtotal Title I - Part A						(604,523)		811,663	(515,336)	46		(319,277)		11,127
Title I SIA, Part A	84.010	ESEA-3310-24	7/1/23	9/30/24	62,990			20,283	(38,148)			(17,865)		
Title I SIA, Part A	84.010	ESEA-3310-23	7/1/22	9/30/23	87,684	(31,932)		35,477	(2,355)				1,190	
Subtotal Title I SIA, Part A						(31,932)		55,760	(40,503)			(17,865)		1,190
Title II A	84.367A	ESEA-3310-24	7/1/23	9/30/24	250,266			34,237	(90,566)			(56,329)		
Title III	84.367A	ESEA-3310-23	7/1/22	9/30/23	270,573	(125,325)		92,468	(90,566)	6,382	\$ 26,475	(56,329)		
Subtotal Title II A						(125,325)		126,705	(90,566)	6,382	26,475	(56,329)		
Title III	84.365A	ESEA-3310-24	7/1/23	9/30/24	35,642	(7,344)		6,540	(14,195)			(14,195)		
Title III	84.365A	ESEA-3310-23	7/1/22	9/30/23	27,892	(7,344)		6,540	(14,195)			(14,195)		
Subtotal Title III						(7,344)								
Title IV	84.358	ESEA-3310-23	7/1/22	9/30/23	105,226			9,075	(9,075)					
Subtotal Title IV								9,075	(9,075)					
Total Elementary and Secondary Education Act						(769,124)		1,009,743	(669,675)	6,428	27,279	(407,666)		12,317
Education Stabilization Fund:														
COVID-19 CARES Emergency Relief Grant	84.425D	CARES041022	3/13/20	9/30/22	590,042					334			334	
COVID-19 - CRRSA:														
ESSER II	84.425D	S425D210027	3/13/20	9/30/23	2,258,081			76,684	(99,392)				7,962	
Learning Acceleration	84.425D	S425D210027	3/13/20	9/30/23	144,912			57,317	(57,317)					
Mental Health	84.425D	S425D210027	3/13/20	9/30/23	45,000								12,230	
COVID-19 - ARP:														
ESSER III	84.425U	S425D210027	3/13/20	9/30/24	5,074,892	(659,321)		901,138	(266,014)	5,366		(18,831)		
Accelerated Learning	84.425U	S425D210027	3/13/20	9/30/24	550,674	(207,190)		233,914	(77,839)	9,000		(42,115)		
Beyond School Day	84.425U	S425D210027	3/13/20	9/30/24	40,000	(4,959)		3,049	(21,918)	639		(23,189)		
ARP - Homeless	84.425W	N/A	4/13/21	9/30/24	29,745				(8,784)			(8,784)		
Total Education Stabilization Fund						(871,470)		1,272,102	(531,264)	15,339		(92,919)		20,526
Total U.S. Department of Education						(2,075,841)		4,729,211	(3,780,861)	118,590	27,279	(990,106)		51,384
U.S. Department of Treasury -														
Passed-through State Department of Education:														
COVID-19 Education and Related Services	21.027	N/A	7/1/23	9/30/24	516,265				(513,998)				(513,998)	
for Students with Disabilities (ACSERS)	21.027	N/A	7/1/22	9/30/23	534,205	(534,205)		534,205						
Total U.S. Department of Treasury						(534,205)		534,205	(513,998)			(513,998)		
Total Special Revenue Fund						(2,610,046)		42,900	(4,294,859)	118,590	27,279	(1,504,104)		51,384

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2023 (Accounts Receivable)	Unearned Revenue	Cash Received	Budgetary Expenditures	Prior Year Encumbrance Canceled	Adjustment	Balance at June 30, 2024 (Accounts Receivable)	Unearned Revenue	Due to Grantor	Amount Provided to Subrecipients
General Fund:														
U.S. Department of Health and Human Services -														
Passed-through State Department of Human Services:														
Medicaid Cluster:														
Medical Assistance Program (SEMI)	93.778	N/A	7/1/23 6/30/24	\$ 41,231		\$ 41,231	\$ 41,231	(41,231)						
Total U.S. Department of Health and Human Services/Medicaid Cluster														
U.S. Department of Homeland Security:														
Passed-through State Department of Law and Public Safety:														
Disaster Grants - Public Assistance - FEMA:	93.036	100-006-120- C84-069910	9/1/21 6/30/24	64,597			64,597	(64,597) *						
State Police - Hurricane Relief							64,597	(64,597)						
Total U.S. Department of Health and Human Services/Medicaid Cluster														
Total General Fund														
U.S. Department of Agriculture - Passed-through														
State Department of Agriculture:														
Child Nutrition Cluster:														
School Breakfast Program:														
School Breakfast Program	10.553	N/A	7/1/22 6/30/23	24,880	\$ (2,453)		2,453							
School Breakfast Program	10.553	N/A	7/1/23 6/30/24	49,111			37,543	(49,111)			\$ (11,568)			
Subtotal School Breakfast Program					(2,453)		39,996	(49,111)			(11,568)			
National School Lunch Program:														
National School Lunch Program	10.555	N/A	7/1/22 6/30/23	452,471	(32,267)		32,267							
National School Lunch Program	10.555	N/A	7/1/23 6/30/24	427,683			346,658	(427,683)			(81,025)			
Healthy Hunger- Free Kids Act	10.555	N/A	7/1/22 6/30/23	22,991	(1,653)		1,653							
Healthy Hunger- Free Kids Act	10.555	N/A	7/1/23 6/30/24	23,775			19,213	(23,775)			(4,562)			
Subtotal National School Lunch Program					(33,920)		399,791	(451,458)			(85,587)			
Federal Food Distribution Program	10.555	N/A	7/1/22 6/30/23	46,786		\$ 6,379		(6,379)						
Federal Food Distribution Program	10.555	N/A	7/1/23 6/30/24	61,242			61,242	(57,168)			\$ 4,074			
Subtotal Federal Food Distribution Program						6,379	61,242	(63,547)			4,074			
COVID - 19 Supply Chain Assistance														
COVID - 19 Supply Chain Assistance	10.555	N/A	7/1/22 6/30/23	283,672		126,021		(126,021)						
COVID - 19 Supply Chain Assistance	10.555	N/A	7/1/23 6/30/24	142,575			142,575	(39,975)				102,600		
Subtotal COVID - 19 Supply Chain Assistance						126,021	142,575	(165,996)				102,600		
Total Child Nutrition Cluster					(36,373)	132,400	643,604	(730,112)			(97,155)	106,674		
COVID-19 - Pandemic Electronic Benefit														
Transfer (P-EBT)	10.649	N/A	7/1/23 6/30/24	653			653	(653)						
Local Food for Schools (LFS) Cooperative Program														
	10.185	N/A	7/1/23 6/30/24	15,282			15,282	(15,282)						
Total U.S. Department of Agriculture														
TOTAL FEDERAL AWARDS														
					\$ (2,646,419)	\$ 175,300	\$6,028,783	\$ (5,146,734)	\$ 118,590	\$ 27,279	\$ (1,601,259)	\$ 106,674	\$ 51,384	\$ -0-

N/A - Not Available/Applicable
* - Expended in a prior year

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2023		Due to Grantor	Cash Received	Budgetary Expenditures	Prior Year Encumbrance Canceled	Repayment of Prior Years' Balances	GAAP		MEMO	Cumulative Total Expenditures	
		From	To		Budgetary Unearned Revenue/ (Accounts Receivable)	Unearned Revenue/ (Accounts Receivable)						Due to Grantor	Budgetary (Accounts Receivable)			Unearned Revenue
State Department of Education:																
General Fund:																
Special Education Categorical Aid	23-495-034-5120-089	7/1/22	6/30/23	\$6,160,484	\$ (605,390)	\$ 605,390			\$ (6,504,664)					\$ (635,827)	\$ 6,160,484	
Special Education Categorical Aid	24-495-034-5120-089	7/1/23	6/30/24	6,504,664		5,868,837									6,504,664	
Security Aid	23-495-034-5120-084	7/1/22	6/30/23	755,225	(74,216)	74,216									755,225	
Security Aid	24-495-034-5120-084	7/1/23	6/30/24	755,225		681,402			(755,225)					(73,823)	755,225	
Adjustment Aid	23-495-034-5120-085	7/1/22	6/30/23	322,539	(31,696)	31,696									322,539	
Adjustment Aid	24-495-034-5120-085	7/1/23	6/30/24	322,539		291,011			(322,539)					(31,528)	322,539	
Extraordinary Special Education Costs Aid	23-495-034-5120-044	7/1/22	6/30/23	4,258,959	(4,258,959)	4,258,959									4,258,959	
Extraordinary Special Education Costs Aid	24-495-034-5120-044	7/1/23	6/30/24	3,422,088					(3,422,088)					(3,422,088)	3,422,088	
Transportation Aid	23-495-034-5120-014	7/1/22	6/30/23	1,175,389	(115,505)	115,505									1,175,389	
Transportation Aid	24-495-034-5120-014	7/1/23	6/30/24	1,175,389		1,060,495			(1,175,389)					(114,894)	1,175,389	
Nonpublic School Transportation Costs	23-495-034-5120-014	7/1/22	6/30/23	62,712	(62,712)	62,712									62,712	
Nonpublic School Transportation Costs	24-495-034-5120-014	7/1/23	6/30/24	103,740					(103,740)					(103,740)	103,740	
Securing Our Children's Future Bond Act	20E00170	4/1/20	6/30/24	377,768		241,416			(241,416) *						297,296	
On-Behalf TPAF Contributions:																
Post-Retirement Medical	24-495-034-5094-001	7/1/23	6/30/24	6,129,127		6,129,127			(6,129,127)						6,129,127	
Pension	24-495-034-5094-002	7/1/23	6/30/24	22,266,094		22,266,094			(22,266,094)						22,266,094	
Non-Contributory Insurance	24-495-034-5094-004	7/1/23	6/30/24	253,933		253,933			(253,933)						253,933	
Long-Term Disability Insurance	24-495-034-5094-004	7/1/23	6/30/24	7,475		7,475			(7,475)						7,475	
Reimbursed TPAF Social Security Aid	23-495-034-5094-003	7/1/22	6/30/23	4,440,066	(223,264)	223,264									4,440,066	
Reimbursed TPAF Social Security Aid	24-495-034-5094-003	7/1/23	6/30/24	4,570,322		4,341,530			(4,570,322)					(228,792)	4,570,322	
Total General Fund State Aid					(5,371,742)	46,513,062			(45,752,012)				(3,754,620)	(4,610,692)	63,187,106	
Special Revenue Fund:																
NJ Nonpublic Aid:																
Textbook Aid (Chapter 194)	24-100-034-5120-064	7/1/23	6/30/24	105,909		105,909			(97,974)	\$ 7,929	\$ (13,271)	\$ 7,935			87,974	
Textbook Aid (Chapter 194)	23-100-034-5120-064	7/1/22	6/30/23	126,060								7,929			104,860	
Textbook Aid (Chapter 194)	22-100-034-5120-064	7/1/21	6/30/22	109,837		2,137						2,137			72,959	
Nursing Services (Chapter 226)	24-100-034-5120-070	7/1/23	6/30/24	219,840		219,840			(219,840)			65,952			219,840	
Auxiliary Services (Chapter 192):																
Compensatory Education	24-100-034-5120-067	7/1/22	6/30/23	109,441		109,441			(107,890)			393	1,551		63,512	
Compensatory Education	23-100-034-5120-067	7/1/22	6/30/23	105,847						1,002	(17,887)				87,960	
English as a Second Language	23-100-034-5120-067	7/1/22	6/30/23	1,002		17,887						1,002				
Home Instruction	22-100-034-5120-067	7/1/22	6/30/23	8,000		2,981					(2,981)					
Handicapped Services (Chapter 193):																
Supplementary Instruction	24-100-034-5120-066	7/1/23	6/30/24	49,994		49,994			(49,560)			12,115	434		41,217	
Supplementary Instruction	23-100-034-5120-066	7/1/22	6/30/23	63,602						23,045			23,045		40,557	
Examination and Classification	24-100-034-5120-066	7/1/23	6/30/24	76,688		76,688						76,688			52,343	
Examination and Classification	23-100-034-5120-066	7/1/22	6/30/23	87,015		24,065				10,607	(24,065)				13,950	
Corrective Speech	24-100-034-5120-066	7/1/23	6/30/24	18,600		18,600			(13,950)			6,975	6,603		18,600	
Corrective Speech	23-100-034-5120-066	7/1/22	6/30/23	18,600						6,603						
NJ Nonpublic Aid (Cont'd):																
Security Aid	24-100-034-5120-509	7/1/23	6/30/24	375,560		375,560			(368,312)			102,799	7,248		262,227	
Security Aid	23-100-034-5120-509	7/1/22	6/30/23	391,960						578	(78,805)				312,577	
Security Aid	22-100-034-5120-509	7/1/21	6/30/22	320,425		1,425							1,425		262,227	
Technology Initiative	24-100-034-5120-373	7/1/23	6/30/24	89,768		89,768			(39,935)			23,552	49,833		76,152	
Technology Initiative	23-100-034-5120-373	7/1/22	6/30/23	80,220						5,177			5,177		75,043	
Preschool Aid Education Aid	23-495-034-5120-086	7/1/22	6/30/23	1,028,392	8,627	101,060						109,687		\$ 109,687	1,997,007	
Preschool Aid Education Aid	24-495-034-5120-086	7/1/23	6/30/24	2,170,032		1,957,913			(1,997,007)			180,357		(212,119)		
Total Special Revenue Fund					8,627	3,104,773			(2,894,468)	54,941	(137,009)	534,543	206,842	(212,119)	3,794,024	

		Balance at June 30, 2023				Balance at June 30, 2024								
	Grant or State Project Number	Grant Period From To	Program or Award Amount	Budgetary Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Prior Year Encumbrance Canceled	Repayment of Prior Years' Balances	GAAP Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Budgetary (Accounts Receivable)	MEMO Budgetary Unearned Revenue	Cumulative Total Expenditures
Debt Service Fund:														
Debt Service Aid II		24-495-034-5120-075	7/1/23 6/30/24	\$ 729,339		\$ 729,339	\$ (729,339)							\$ 729,339
Total - Debt Service Fund						729,339	(729,339)							729,339
State Department of Agriculture:														
Enterprise Fund:														
State School Lunch Program		24-100-010-3350-023	7/1/23 6/30/24	24,087		19,521	(24,087)		\$ (4,566)	\$ (4,566)				24,087
State School Lunch Program		23-100-010-3350-023	7/1/22 6/30/23	22,052	\$ (1,571)	1,571								22,052
New Jersey Extended Income Eligibility Lunch		24-100-010-3350-023	7/1/23 6/30/24	3,007		2,614	(3,007)		(393)	(393)				3,007
State School Breakfast Program		24-100-010-3350-023	7/1/23 6/30/24	914		721	(914)		(193)	(193)				914
State School Breakfast Program		23-100-010-3350-023	7/1/22 6/30/23	181	(24)	24			(92)	(92)				181
New Jersey Extended Income Eligibility Breakfast		24-100-010-3350-023	7/1/23 6/30/24	240		148	(240)							240
Total Enterprise Fund					(1,595)	24,599	(28,248)		(5,244)	(5,244)				89,096
Schools Development Authority:														
Special Revenue Fund:														
Emergent and Capital Maintenance Needs		N/A	11/19/21 6/30/22	161,741	148,919		(148,919)			39,794				148,919
Emergent and Capital Maintenance Needs		N/A	7/1/23 6/30/24	150,335		150,335	(41,125)			109,210			\$ 109,210	41,125
Capital Projects Fund:														
Educational Facilities Construction & Financing Act		Various	7/1/14 6/30/20	990,572	(990,572)					(990,572)				
		Various	Various	7,839,987	(1,032,976)					(1,032,976)				
Total Schools Development Authority					(1,874,629)	150,335	(190,044)			(1,032,976)				6,531,385
TOTAL STATE AWARDS					\$ (7,239,339)	\$ 140,571	\$ 50,522,108	\$ (49,594,111)	\$ 54,941	\$ (137,009)	\$ 206,842	\$ (6,851,603)	\$ 391,922	\$74,520,994
Less - State Awards Not Subject to Single Audit Major Program Determination:														
On-Behalf/TPAF Pension System Contributions:														
Post-Retirement Medical		24-495-034-5094-001	7/1/23 6/30/24	6,129,127			6,129,127							
Pension		24-495-034-5094-002	7/1/23 6/30/24	22,266,094										
Non-Contributory Insurance		24-495-034-5094-004	7/1/23 6/30/24	253,933			253,933							
Long-Term Disability Insurance		24-495-034-5094-004	7/1/23 6/30/24	7,475			7,475							
Subtotal On-Behalf/TPAF Pension System Contributions							28,656,629							
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION														
\$ (20,937,482)														

* - Expended in Prior Year.

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of Township of Montclair School District under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund, special revenue fund and capital projects 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 and special revenue funds are presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to P.L. 2003, C.97 (A3521). For GAAP purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. The capital projects fund is presented in the accompanying schedules on the budgetary basis with the exception of the revenue recognition of the SDA grants which are realized as revenue upon their award for budgetary basis, whereas the GAAP basis recognizes the revenue to the extent of actual expenditures and when funds are submitted for reimbursement.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(29,265) for the General Fund and (\$690,833) for the Special Revenue Fund. See Note 1(D) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds of which (\$4,043) is for local grants. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 105,828	\$ 45,722,747	\$ 45,828,575
Special Revenue Fund	3,919,009	2,773,567	6,692,576
Debt Service Fund		729,339	729,339
Food Service Fund	<u>746,047</u>	<u>28,248</u>	<u>774,295</u>
Total Financial Assistance	<u>\$ 4,770,884</u>	<u>\$ 49,253,901</u>	<u>\$ 54,024,785</u>

NOTE 5. 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 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2024. Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has active grants awarded in the amount of \$2,299,174 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act as of June 30, 2024. As of June 30, 2024 none of these funds have been expended, submitted for reimbursement or been drawn down and received. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	_____	Yes	_____	X	No
2.) Significant deficiencies identified?	_____	Yes	_____	X	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____	X	No

Federal Awards

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

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____	Yes	_____	X	No
2.) Significant deficiencies identified?	_____	Yes	_____	X	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____	X	No

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____	Yes	_____	X	No
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Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Special Education Cluster:					
I.D.E.A. - Part B, Basic Regular	84.027A	7/1/23	9/30/24	\$ 1,954,675	\$ 1,845,651
I.D.E.A. - Part B, Basic Regular	84.027A	7/1/22	9/30/23	1,883,280	533,811
I.D.E.A. - Part B, Preschool	84.173	7/1/23	9/30/24	72,730	44,760
I.D.E.A. - Part B, Preschool	84.173	7/1/22	9/30/23	69,074	36,605
COVID 19 -ARP - I.D.E.A. Part B, Basic	84.027X	7/1/21	9/30/23	375,294	119,095

Dollar threshold used to distinguish between Type A and B programs

\$ 750,000

Auditee qualified as low-risk auditee?

_____	Yes	_____	X	No
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MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

State Awards

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

Internal control over major programs:

1.) Material weakness identified?	<u> </u>	Yes	<u> X </u>	No
2.) Significant deficiencies identified?	<u> </u>	Yes	<u> X </u>	None reported
Noncompliance material to basic financial statements noted?	<u> </u>	Yes	<u> X </u>	No
Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?	<u> </u>	Yes	<u> X </u>	No

Identification of major programs:

<u>Program Name or Cluster</u>	<u>State Grant No.</u>	<u>Grant Period</u>		<u>Award Amount</u>	<u>Budgetary Expenditures</u>
		<u>Start</u>	<u>End</u>		
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23	6/30/24	\$ 4,570,322	\$ 4,570,322
Extraordinary Special Education Costs Aid	24-495-034-5120-044	7/1/23	6/30/24	3,422,088	3,422,088
Transportation Aid	24-495-034-5120-014	7/1/23	6/30/24	1,175,389	1,175,389
Nonpublic Transportation Aid	24-495-034-5120-014	7/1/23	6/30/24	103,740	103,740
Debt Service Aid II	24-495-034-5120-075	7/1/23	6/30/24	729,339	729,339
Dollar threshold used to distinguish between Type A and B programs				<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?	<u> </u>	Yes		<u> X </u>	No

Section II - Financial Statement Findings - N/A

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Audit Report, dated January 10, 2024 for the period ended June 30, 2023, issued by Nisivoccia LLP:

Finding 2023-001, noted: The IEPs for the sixteen students selected for testing did not include the intensive service(s) claimed on the Extraordinary Aid application. The total costs claimed for reimbursement in error reported in the Extraordinary Aid application of \$310,571 for the insufficient or incorrect documentation reported on the students' IEP.

Status:

The prior year finding 2023-001 regarding greater care be taken in reporting intensive services provided to students reported on the Extraordinary Aid application was fully resolved.