

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Borough of Montvale Board of Education
Montvale, New Jersey**

For the Fiscal Year Ended June 30, 2020

Prepared by

**Borough of Montvale Board of Education
Finance Department**

BOARD OF EDUCATION
BOROUGH OF MONTVALE

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION (Unaudited)	
Letter of Transmittal	1-4
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	
Independent Auditor's Report on General Purpose Financial Statements and Supplementary Schedules of Expenditures of Federal Awards and State Financial Assistance	10-12
REQUIRED SUPPLEMENTARY INFORMATION – PART I	
Management's Discussion and Analysis (Unaudited)	14-20
BASIC FINANCIAL STATEMENTS	
A. District – wide Financial Statements:	
A-1 Statement of Net Assets	23
A-2 Statement of Activities	24
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	27
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	28
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Proprietary Funds:	
B-4 Statement of Net Position	31
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	32
B-6 Statement of Cash Flows	33
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	35
B-8 Statement of Changes in Fiduciary Net Position	36
NOTES TO BASIC FINANCIAL STATEMENTS	38-74

BOARD OF EDUCATION
BOROUGH OF MONTVALE

TABLE OF CONTENTS
CONTINUED

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	77-81
C-1b Budget and Actual – General Fund	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	82
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART II	
C-3 Budget to GAAP Reconciliation	84
REQUIRED SUPPLEMENTARY INFORMATION – PART III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability – PERS	87
L-2 Schedule of District Contributions – PERS	88
L-3 Schedule of the District's Proportionate share of the Net Pension Liability – TPAF	89
Notes to required Supplementary Information	90
M. Schedules Related to Accounting and Reporting for OPEB (GASB75)	
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	91
Notes to required Supplementary Information	92
OTHER SUPPLEMENTARY INFORMATION	
D. School Level Schedules: Fund Financial Statements:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type-Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	96
E-1a Combining Schedule of State Program Revenues and Expenditures - Budgetary Basis	N/A
E-1b Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	97
E-1c Combining Schedule of Local Program Revenues and Expenditures – Budgetary Basis	98
E-2 Schedule(s) of Preschool Education Aid Expenditures – Preschool-All Programs –Budgetary Basis	N/A

BOARD OF EDUCATION
BOROUGH OF MONTVALE

TABLE OF CONTENTS
CONTINUED

OTHER SUPPLEMENTARY INFORMATION (Continued)	<u>Page</u>
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	100
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	101
F-2a to F-2e – Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	102-106
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Assets	N/A
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	N/A
G-3 Combining Statement of Cash Flows	N/A
Internal Service Fund:	
G-4 Combining Statement of Net Assets	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Fund	
H-1 Combining Statement of Fiduciary Net Assets	N/A
H-2 Combining Statement of Changes in Fiduciary Net Assets	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	111
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	112
I. Long – Term Debt	
I-1 Schedule of Serial Bonds	114
I-2 Schedule of Obligation Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	115

BOARD OF EDUCATION
BOROUGH OF MONTVALE

TABLE OF CONTENTS
CONCLUDED

STATISTICAL SECTION (UNAUDITED)

J. Financial Trends:

J-1 Net Position by Component	118
J-2 Changes in Net Position	119-120
J-3 Fund Balances – Governmental Funds	121
J-4 Changes in Fund Balances – Governmental Funds	122-123
J-5 General Fund – Other Local Revenue by Source	124
J-6 Assessed Value and Estimated Actual Value of Taxable Property	125
J-7 Direct and Overlapping Property Tax Rates	126
J-8 Principal Property Taxpayers	127
J-9 Property Tax Levies and Collections	128
J-10 Ratios of Outstanding Debt by Type	129
J-11 Ratios of Net General Bonded Debt Outstanding	130
J-12 Direct and Overlapping Governmental Activities Debt as of June 30	131
J-13 Legal Debt Margin Information	132
J-14 Demographic and Economic Statistics	133
J-15 Principal Employers Operating Information	134
J-16 Full-time Equivalent District Employees by Function/Program	135
J-17 Operating Statistics	136
J-18 School Building Information	137
J-19 Schedule of Required Maintenance for School Facilities	138
J-20 Insurance Schedule	139

SINGLE AUDIT SECTION

K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	141-142
K-2 Report on Compliance with Requirements That Could Have A Direct and Material Effect on Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 and New Jersey A-133 and New Jersey OMB Circular Letter 15-08	143-145
K-3 Schedule of Expenditures of Federal Awards, Schedule A	146
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	147
K-5 Notes to Schedules of Expenditures of Awards and Financial Assistance	148-149
K-6 Schedules of Findings and Questioned Costs	
Part 1 Summary of Auditor's Results	150-151
Part 2 Schedule of Financial Statement Findings	152
Part 3 Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs	153
K-7 Summary Schedule of Prior-Year Audit Findings and Questioned Costs	154

Introductory Section



Montvale Board of Education

Andrea Wasserman
School Business Administrator
Phone: 201-391-6226

47 Spring Valley Road
Montvale, NJ 07645
Fax: 201-391-8935

August 14, 2020

Honorable President and
Members of the Board of Education
Montvale School District
County of Bergen, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Montvale School District for the fiscal year ending June 30, 2020 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. To the best of our knowledge and belief, the data presented in this report is accurate and is reported in a manner designed to present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the Montvale School District as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the Montvale School District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the Montvale School District's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Montvale School District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments," and State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single Audit Section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Montvale School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB statement #14. All funds and account groups of the district are included in this report. The Montvale School District Board of Education 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 8. These include regular

and special education for handicapped students. The district completed the 2019-20 fiscal year with an average enrollment of 986.68 students, an increase of 17.33 students as compared to the previous year's enrollment. The following details the changes in the student enrollment of the Montvale School District over the last five years. The Borough of Montvale is anticipating new residential developments in the coming years. Depending on the timing of the construction, it is anticipated school enrollment will increase in the coming years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-2020	986.68	+1.79%
2018-2019	969.35	-3.03%
2017-2018	999.68	+0.30%
2016-2017	996.71	-0.50%
2015-2016	1001.70	-4.68%

2) **ECONOMIC CONDITION AND OUTLOOK**; The Borough of Montvale enjoys very high rates, due mainly to the large section of the community zoned for offices occupied by major corporations. Property assessments have increased due to new housing construction. Occupation rates of office properties have slightly decreased in the past years.

The community's favorable tax rate, accessibility to major roadways and employment, pleasant suburban atmosphere, and the excellent reputation of its schools make Montvale a very attractive place to live. Better than average taxes for Bergen County and the community's desirability continue to result in the sale of existing homes.

All students will be accommodated in the existing Memorial Elementary and Fieldstone Middle Schools for the 2019-20 school year. Class sizes are below 23 students at the elementary level and in the middle school.

3) **MAJOR INITIATIVES**: The Board of Education annually reviews school building needs and prioritizes the identified items. The district's major construction projects in 2019 and 2020 were partial roof replacements, paving improvements, as well as stage and gym floor refurbishments. The district will continue to invest in maintaining and improving the buildings and grounds of the district.

The district annually evaluates the results of State testing and set goals for curriculum and teaching improvements to continue to have the district exceed the adequate yearly progress standards. Data is tracked and the results used to evaluate the curriculum as well as identify student weaknesses for remediation.

The Montvale Schools continue to improve and upgrade technology to include more wireless technology and has expanded the one-to-one Chromebook initiative to include all students in grades 3 through 8. Chromebooks on carts are available for grade levels that do not have one-to-one.

The district continued to be "green" by sending communications to parents and staff by e-mail and by posting materials on the district website. The district website also includes Board of Education public session agendas and minutes, school calendars, and district newsletters. Parents and students have access to teacher created homework web pages to assist in tracking assignments.

The district continued its commitment to mentoring new staff members, and is providing on-going professional development activities for all teaching staff. In-house workshops are offered in a variety of areas based on needs and interests as determined by student data, staff surveys, and the District Evaluation Advisor Committee's (DEAC) recommendations. Teachers engage students through

differentiated instruction, Google Apps for Education (GAFE) and best practices in teaching reading and writing. The administration and teaching staff use data to drive instruction.

4) INTERNAL ACCOUNTING CONTROLS: Administration is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Montvale School District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles [GAAP]. The internal control structure 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 financial assistance, the Montvale School District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluations by the district management.

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the Montvale School 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 voters of the municipality. Annual appropriated budgets are adopted for the general 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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2020.

6) ACCOUNTING SYSTEM AND REPORTS: The Montvale School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board [GASB]. The accounting system of the district is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statement."

7) DEBT ADMINISTRATION: On May 15, 2000, the district sold 20-year bonds in the amount of \$5,083,000. The district makes interest payments each May and November, and one principal payment each May. The voters approved a referendum in April 2005. Twenty-year bonds in the amount of \$2,371,000 were sold on November 15, 2006. Interest payments are due each May and November, and one principal payment each November.

8) CASH MANAGEMENT: The investment policy of the Montvale School District is guided in a large part by state statute. 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 required governmental units to deposit public funds only in public depositories in New Jersey, where the funds are secured in accordance with the Act.

9) **RISK MANAGEMENT:** The Board carried various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

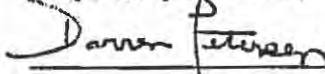
10) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Accountant Timothy Vrabel of T.M. Vrabel and Associates, LLC was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combined individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

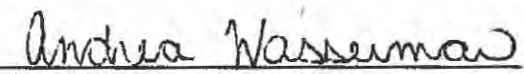
11) ACKNOWLEDGMENT:

We would like to express our appreciation to the members of the Montvale 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 our financial and accounting staff.

Respectfully submitted,

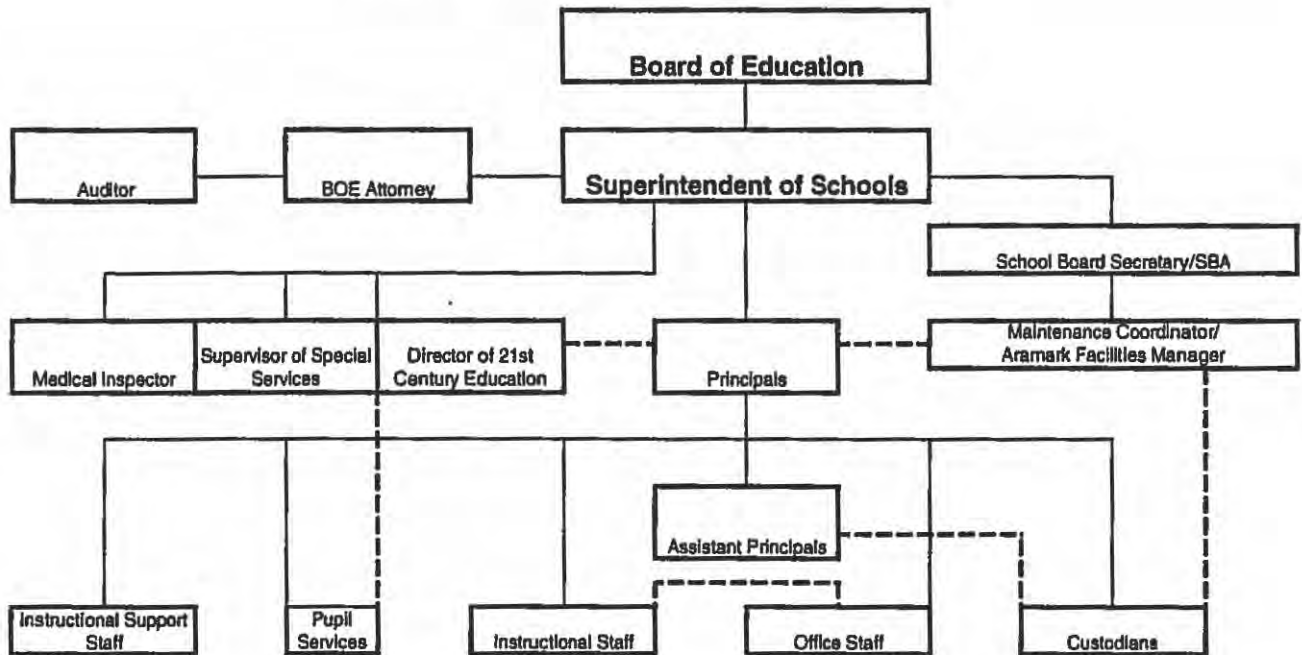


Dr. Darren Petersen
Superintendent of Schools



Andrea Wasserman
Board Secretary/School Business Administrator

MONTVALE PUBLIC SCHOOLS



**MONTVALE SCHOOL DISTRICT
BERGEN COUNTY, NEW JERSEY**

**ROSTER OF OFFICIALS
JANUARY 2020**

President	Term Expires
Debra McGauley-Eichhorn	2020

Vice-President	Term Expires
Anita Bagdat	2022

Members of the Board of Education

Rachel Baskin	2020
---------------	------

John Carvelli	2020
---------------	------

Chris Colla	2020
-------------	------

Ernest DiFiore	2021
----------------	------

Alisha Foley	2022
--------------	------

Other Officials

Superintendent

Dr. Darren Petersen

Board Secretary/School

Business Administrator

Mrs. Andrea Wasserman

Solicitors

Stephen R. Fogarty [Fogarty & Hara]

**BOROUGH OF MONTVALE
BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

ARCHITECT

FKA Architects
306 Ramapo Valley Road
Oakland, NJ 07436

AUDIT FIRM

Timothy M. Vrabel, R.M.A., P.S.A.
T.M. Vrabel & Associates, LLC
350 Main Road, Suite 104
Montville, New Jersey 07045

ATTORNEY

Stephen R. Fogarty, Esq.
Fogarty & Hara
21-00 Route 208 South
Fairlawn, NJ 07410

OFFICIAL DEPOSITORY

Capital One Bank
710 Route 46 East
Fairfield, NJ 07004

Financial Section

Independent Auditor's Report

Timothy M. Vrabel & Associates, LLC
Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Montvale School District
County of Bergen, New Jersey

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Montvale School District as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for

350 Main Road, Suite 104
Montville, NJ 07045
973-953-7769, Fax 973-625-8733
Email: tmvrabel@optonline.net

the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information the Borough of Montvale School District as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on Page 14 through 20 and budgetary comparison information of schedules C-1 and C-2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Montvale School District's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, statistical tables and the Schedules of Expenditures of Federal Awards and State Financial Assistance as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's 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.

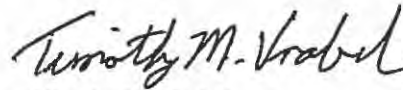
The combining and individual fund financial statements, long-term debt schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the Schedules of Expenditures of Federal

Awards and State Financial Assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures and applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated August 13, 2020 on our consideration of the Borough of Montvale School District's internal control over financial reporting and on out tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Borough of Montvale School District's internal control over financial reporting and compliance.



Timothy M. Vrabel
Public School Accountant
License No. CS000698



Chris C. W. Hwang
Certified Public Accountant
License No. CC033704

Montville, New Jersey
August 13, 2020

**REQUIRED SUPPLEMENTARY INFORMATION -
PART I**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Borough of Montvale School District financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the transmittal letter on page 1 and the District's financial statements, which begin on page 23.

FINANCIAL HIGHLIGHTS

- The District's net position increased \$1,204,000 as a result of this year's operations. Net position of our business-type activities decreased by \$21,000, or 8.2 percent, and net position of our governmental activities increased by \$1,225,000 or 16.9 percent.
- Total cost of all of the District's programs was \$22.3 million in 2019-2020 compared to \$24.0 million in 2018-2019.
- During the year, the District had expenses for governmental activities that were \$426,000 less than the \$21.432 million generated in tax and other program revenues.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 23 and 24) provide information about the activities of the District as a whole and present a longer-term view on the District's finances. Fund financial statements start on page 27. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operation in more detail than the government-wide statements by providing information about the District's most financially significant funds

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the District as a whole begins on page 16. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in them. You can think of the District's net position, the difference between assets and liabilities, as one way to measure the District's financial health, or *financial position*. Over time, *increases* or *decreases* in the District's net position are one indicator whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's property tax base, and the condition of the District's capital assets to assess the overall *health* of the District.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

- **Governmental activities:** most of the District's basic services are reported here, including general administration. Local taxes, tuition and state and federal aid finance most of these activities.
- **Business-type-activities:** the District has proprietary funds for a milk program, and for a pre-k summer program known as Safety Town. These are shown on pages 31, 32 and 33.

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 18. The fund financial statements begin on page 27 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State law. The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental funds: most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation on page 29.

Proprietary funds: when the District charges customers for the full cost of the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or *fiduciary*, for the Unemployment Compensation Trust and Agency Funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 35 and 36. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

The District's combined net position changed from a year ago, increasing from \$7.505 million to \$8.709 million. Looking at the net position and net expenses of governmental and business-type activities separately, different stories emerge. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's governmental and business-type activities as of June 30.

Table 1
Net Position (in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	4,099	3,732	233	306	4,332	4,038
Long term receivables					-	-
Capital assets	<u>9,602</u>	<u>9,597</u>	<u>15</u>	<u>10</u>	<u>9,617</u>	<u>9,607</u>
Total assets	<u>13,701</u>	<u>13,329</u>	<u>248</u>	<u>316</u>	<u>13,949</u>	<u>13,645</u>
Deferred outflows of resources	<u>540</u>	<u>843</u>			<u>540</u>	<u>843</u>
Long-term debt outstanding	1,655	2,211			1,655	2,211
Aggregate net pension liability	2,405	2,905			2,405	2,905
Other liabilities	<u>193</u>	<u>268</u>	<u>12</u>	<u>59</u>	<u>205</u>	<u>327</u>
Total liabilities	<u>4,253</u>	<u>5,384</u>	<u>12</u>	<u>59</u>	<u>4,265</u>	<u>5,443</u>
Deferred inflows of resources	<u>1,515</u>	<u>1,540</u>			<u>1,515</u>	<u>1,540</u>
Net position:						
Net investment in capital assets	8,178	7,648	15	10	8,193	7,658
Restricted	3,372	2,942			3,372	2,942
Unrestricted (deficit)	<u>(3,077)</u>	<u>(3,342)</u>	<u>221</u>	<u>247</u>	<u>(2,856)</u>	<u>(3,095)</u>
Total net position	<u>8,473</u>	<u>7,248</u>	<u>236</u>	<u>257</u>	<u>8,709</u>	<u>7,505</u>

Net position of the District's governmental activities increased by 16.9 percent. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements increased by \$265,000. Restricted net position, those restricted mainly for excess surplus increased by \$430,000. Both net asset categories benefited from increased economic activity, which resulted in actual revenues exceeding budgeted revenues. The investment in capital assets, net of debt category increased by \$530,000 principally due to the payment of debt.

Table 2
Changes in Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for Services	134	146	315	459	449	605
Operating Grants and Contributions	5,916	7,640	3	6	5,919	7,646
General revenues:						
Property Taxes	16,876	16,520			16,876	16,520
Tuition	44	69			44	69
Federal and State Aid	14	20			14	20
Interest and Investment Earnings	57	76			57	76
Other General Revenues	96	109	-	-	96	109
Total Revenues:	23,137	24,580	318	465	23,455	25,045
Program expenses including indirect expenses						
Instruction:						
Regular	9,698	10,983			9,698	10,983
Special	2,761	2,377			2,761	2,377
Other instruction	996	1,086			996	1,086
Support services:						
Tuition	888	876			888	876
Student and instruction related services	3,042	3,356			3,042	3,356
School administrative services	1,197	1,273			1,197	1,273
General and business administrative services	1,343	1,448			1,343	1,448
Plant operations and maintenance	1,420	1,483			1,420	1,483
Pupil transportation	473	554			473	554
SDA Debt Service Assessment	28	28			28	28
Interest on long-term debt	79	103			79	103
Business-type activities:						
Milk Program			6	12	6	12
Montvale Summer Institute			22	17	22	17
Child Care	-	-	310	395	310	395
Total Expenses	21,925	23,567	338	424	22,263	23,991
Increase (Decrease) in Net Position	1,212	1,013	(20)	41	1,192	1,054

THE DISTRICT'S FUNDS**Governmental Activities****Table 3**

Information below compares revenues and expenditures for all governmental fund types for 2019-2020 and 2018-2019.

(\$000 omitted)

<u>Revenues by Source:</u>	<u>2019-2020</u>	<u>2018-2019</u>	<u>% Change</u>
Local Tax Levy	16,955	16,623	2.00%
Tuition Charges	44	69	-36.23%
Transportation Fees	55	43	27.91%
Interest Earned to Investments	57	76	-25.00%
Miscellaneous	97	109	-11.01%
Total - Local Sources	17,208	16,920	1.70%
State Sources	3,836	3,557	7.84%
Federal Sources	388	334	16.17%
Total Revenues	<u>21,432</u>	<u>20,811</u>	2.98%

(\$000 omitted)

<u>Expenditures by Function:</u>	<u>2019-2020</u>	<u>2018-2019</u>	<u>% Change</u>
Current:			
Regular Instruction	5,773	5,823	-0.86%
Special education	1,708	1,306	30.78%
Other instruction	587	570	2.98%
Support Services and undistributed costs:			
Tuition	888	876	1.37%
Student and instruction related services	2,024	2,014	0.50%
School administrative services	711	668	6.44%
General and Business administrative services	843	800	5.38%
Plant operations and maintenance	1,240	1,269	-2.29%
Pupil transportation	467	546	-14.47%
Employee Benefits	5,805	5,653	2.69%
Capital Outlay	353	342	3.22%
Debt Service:			
Principal	525	510	2.94%
Interest on long-term debt	82	106	-22.64%
Total Expenditures	<u>21,006</u>	<u>20,483</u>	2.55%

Business-type Activities

District's major Enterprise Funds consist of the Food Service (milk program), Montvale Summer Institute and Child Care program. The basic financial statements for the major funds are included in this report. Because the focus on business-type funds is a cost of service measurement or capital maintenance, we have included these funds in Table 4, which demonstrates return on ending assets and return on ending net position.

Table 4

(\$000 omitted)

	<u>Milk Program</u>	<u>Montvale Summer Institute</u>	<u>Child Care</u>
Total Assets	21	6	222
Net Position	15	1	221
Change in Net Position	3	(1)	(22)
Return on Ending Total Assets	14.29%	-16.67%	-9.91%
Return on Ending Net Position	20.00%	-100.00%	-9.95%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Table 5

Capital Assets at Year-end
(Net of Depreciation, in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	250	250			250	250
Land Improvements	-	-			-	-
Buildings	14,631	14,349			14,631	14,349
Machinery and Equipment	969	926	54	48	1,023	974
Construction in Progress	784	784	-	-	784	784
Subtotal	16,634	16,309	54	48	16,688	16,357
Accumulated Depreciation	(7,031)	(6,712)	(39)	(38)	(7,070)	(6,750)
Totals	<u>9,603</u>	<u>9,597</u>	<u>15</u>	<u>10</u>	<u>9,618</u>	<u>9,607</u>

The District's 2020-2021 capital budget anticipates a spending level of \$441,000 for capital projects. More detailed information about the District capital assets is presented in Note III:C. to the basic financial statements

DEBT

At year – end the District had total debt of \$ 1.425 million versus \$1.950 million last year – a decrease of 26.9 percent – as shown in Table 6.

Outstanding Debt, at year –end (in thousands)

Table 6

	<u>Governmental</u> <u>Activities</u>	
	<u>2020</u>	<u>2019</u>
Serial Bonds	1,424	1,949
Loans		
Lease Purchase Agreement		
Temporary Notes		
Authorized but not Issued	<u>1</u>	<u>1</u>
	<u>1,425</u>	<u>1,950</u>

An analysis of District Debt is presented in Note IV:B. to the basic financial statements.

BUDGETS

The variances between the originally adopted budget for the 2019-2020 year, and the final budget were caused by the appropriation of capital reserve and the treatment of encumbrances that are added to the original budget. In addition, the State pension payments which are paid by the State on behalf of employees are not budgeted; however they are counted as an expense in the audit.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Andrea Wasserman, School Business Administrator, Montvale Public School District, 47 Spring Valley Road, Montvale, New Jersey.

BASIC FINANCIAL STATEMENTS

Section A

DISTRICT - WIDE FINANCIAL STATEMENTS

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Statement of Net Position
June 30, 2020**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,294,021.07	\$ 231,988.58	\$ 1,526,009.65
Receivables, net	340,248.00	1,547.25	341,795.25
Restricted assets:			
Cash and cash equivalents	297,350.48		297,350.48
Capital reserve account - cash	2,066,934.47		2,066,934.47
Maintenance reserve account - cash	100,000.00		100,000.00
Capital assets, net (Note III:C.):	<u>9,602,385.20</u>	<u>14,683.66</u>	<u>9,617,068.86</u>
Total Assets	<u>13,700,939.22</u>	<u>248,219.49</u>	<u>13,949,158.71</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>540,134.00</u>		<u>540,134.00</u>
Total Deferred Outflows of Resources	<u>540,134.00</u>		<u>540,134.00</u>
LIABILITIES			
Accounts payable	185,075.74	6,459.60	191,535.34
Bond interest payable	7,568.35		7,568.35
Unearned revenue		5,360.00	5,360.00
Long-term liabilities other than pensions(Note IV:B.):			
Due within one year	533,000.00		533,000.00
Due beyond one year	1,121,761.23		1,121,761.23
Aggregate net pension liability	<u>2,405,427.00</u>	<u>-</u>	<u>2,405,427.00</u>
Total liabilities	<u>4,252,832.32</u>	<u>11,819.60</u>	<u>4,264,651.92</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>1,515,183.00</u>		<u>1,515,183.00</u>
Total Deferred Inflows of Resources	<u>1,515,183.00</u>		<u>1,515,183.00</u>
NET POSITION			
Net investment in capital assets	8,178,385.20	14,683.66	8,193,068.86
Restricted for:			
Capital projects	2,364,284.95		2,364,284.95
Debt service	(7,567.21)		(7,567.21)
Other purposes	1,015,120.72		1,015,120.72
Unrestricted	<u>(3,077,165.76)</u>	<u>221,716.23</u>	<u>(2,855,449.53)</u>
Total Net Position	<u>\$ 8,473,057.90</u>	<u>\$ 236,399.89</u>	<u>\$ 8,709,457.79</u>

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

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Statement of Activities
For the Year Ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 9,698,002.18	\$ -	\$ 2,463,766.44	\$ -	\$ (7,234,235.74)	\$ -	\$ (7,234,235.74)
Special education	2,761,024.06		1,183,694.47		(1,577,329.59)		(1,577,329.59)
Other instruction	995,947.13		254,812.81		(741,134.32)		(741,134.32)
Support services:							
Tuition	887,915.07		434,064.10		(453,850.97)		(453,850.97)
Student and instruction related services	3,042,320.83		680,458.39		(2,361,862.44)		(2,361,862.44)
School administrative services	1,197,267.71		303,543.69		(893,724.02)		(893,724.02)
General and business administrative services	1,343,012.24		296,927.56		(1,046,084.68)		(1,046,084.68)
Plant operations and maintenance	1,419,357.93		104,770.87		(1,314,587.06)		(1,314,587.06)
Pupil transportation	473,310.06	54,935.50	194,377.60		(223,996.96)		(223,996.96)
SDA Debt Service Assessment	28,393.00				(28,393.00)		(28,393.00)
Interest on long-term debt	79,207.70	79,207.70	-		-		-
Total governmental activities	21,925,757.91	134,143.20	5,916,415.93		(15,875,198.78)		(15,875,198.78)
Business-type activities:							
Milk Program	6,283.97	6,022.12	3,563.58			3,301.73	3,301.73
Montvale Summer Institute	21,862.85	20,585.00				(1,277.85)	(1,277.85)
Child Care	310,224.18	288,044.55	-			(22,179.63)	(22,179.63)
Total business-type activities	338,371.00	314,651.67	3,563.58			(20,155.75)	(20,155.75)
Total primary government	\$ 22,264,128.91	\$ 448,794.87	\$ 5,919,979.51	\$ -	\$ (15,875,198.78)	\$ (20,155.75)	\$ (15,895,354.53)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					\$ 16,378,134.00	\$ -	\$ 16,378,134.00
Property taxes, levied for debt service principal					498,049.30		498,049.30
Federal and State aid not restricted					13,601.37		13,601.37
Tuition (other than special schools)					44,372.40		44,372.40
Investment Earnings					56,878.29		56,878.29
Miscellaneous Income					96,437.90		96,437.90
Total general revenues, special items, extraordinary items and transfers					17,087,473.26	-	17,087,473.26
Change in Net Position					1,212,274.48	(20,155.75)	1,192,118.73
Net Position—beginning, as restated					7,260,783.42	256,555.64	7,517,339.06
Net Position—ending					\$ 8,473,057.90	\$ 236,399.89	\$ 8,709,457.79

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

Section B
FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,336,188.27	\$ (42,178.34)	\$ 297,350.48	\$ 1.14	\$ 1,591,371.55
Receivables from other governments	241,848.00	78,502.32			318,350.32
Transportation fees receivable	73.00				73.00
Other receivables	21,824.68				21,824.68
Restricted cash and cash equivalents	<u>2,168,934.47</u>	-	-	-	<u>2,168,934.47</u>
Total Assets	<u>\$ 3,766,878.42</u>	<u>\$ 34,323.98</u>	<u>\$ 297,350.48</u>	<u>\$ 1.14</u>	<u>\$ 4,098,554.02</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	<u>\$ 150,751.78</u>	<u>\$ 34,323.98</u>	\$ -	\$ -	<u>\$ 185,075.74</u>
Total Liabilities	<u>150,751.78</u>	<u>34,323.98</u>			<u>185,075.74</u>
Fund Balances:					
Restricted for:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	400,000.00				400,000.00
Reserve for Excess Surplus	400,000.00				400,000.00
Capital Reserve Account	2,088,934.47				2,088,934.47
Maintenance Reserve Account	100,000.00				100,000.00
Capital Projects			297,350.48		297,350.48
Debt Service				1.14	1.14
Assigned to:					
Other Purposes	115,120.72				115,120.72
Designated for Subsequent Year's Expenditures	144,766.00				144,766.00
Unassigned	<u>389,305.47</u>	-	-	-	<u>389,305.47</u>
Total Fund Balances	<u>3,616,128.66</u>	-	<u>297,350.48</u>	<u>1.14</u>	<u>3,913,478.28</u>
Total Liabilities and Fund Balances	<u>\$ 3,766,878.42</u>	<u>\$ 34,323.98</u>	<u>\$ 297,350.48</u>	<u>\$ 1.14</u>	

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

Adjustment to Debt Service Fund net position for the accrual of interest expense.	(7,568.35)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$16,633,239.40 and the accumulated depreciation is \$7,030,654.20.	9,602,385.20
Pension liabilities net of deferred outflows and inflows of resources	(3,380,476.00)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note IV.B.)	<u>(1,654,761.23)</u>
Net position of governmental activities	<u>\$ 8,473,057.90</u>

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

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**
Statement of Revenues, Expenditures, And Changes In Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 16,378,134.00	\$ -	\$ -	\$ 577,257.00	\$ 16,955,391.00
Tuition charges	44,372.40				44,372.40
Transportation fees	54,935.50				54,935.50
Interest earned on Investments	27,194.19		6,798.55		33,992.74
Interest earned on Capital Reserve Funds	22,885.55				22,885.55
Miscellaneous	91,709.29	4,728.81	-	-	96,437.90
Total - Local Sources	16,819,230.93	4,728.81	6,798.55	577,257.00	17,208,015.09
State sources	3,836,183.98				3,836,183.98
Federal sources	-	388,064.32	-	-	388,064.32
Total Revenues	20,455,394.91	392,792.93	6,798.55	577,257.00	21,432,243.39
EXPENDITURES					
Current:					
Regular instruction	5,671,429.89	101,258.93			5,772,688.82
Special education instruction	1,491,881.86	215,757.00			1,707,638.86
Other instruction	587,202.65				587,202.65
Support services and undistributed costs:					
Tuition	887,915.07				887,915.07
Student and instruction related services	1,980,482.00	43,106.00			2,023,588.00
School administrative services	710,878.84				710,878.84
General and business administrative services	843,055.89				843,055.89
Plant operations and maintenance	1,239,866.60				1,239,866.60
Pupil transportation	467,100.15				467,100.15
Unallocated benefits	5,772,810.74	32,671.00			5,805,481.74
Capital outlay	352,810.09				352,810.09
Debt service:					
Principal				525,000.00	525,000.00
Interest and other charges	-	-	-	82,259.28	82,259.28
Total Expenditures	20,005,213.38	392,792.93	-	607,259.28	21,005,265.57
Excess (Deficiency) of revenues over expenditures	450,181.53	-	6,798.55	(30,002.28)	426,977.82
OTHER FINANCING SOURCES AND (USES)					
Transfers in	6,798.55			30,002.00	36,800.55
Transfers (out)	-		(38,800.55)	-	(38,800.55)
Total Other Financing Sources and (Uses)	6,798.55	-	(38,800.55)	30,002.00	-
Net change in fund balances	456,980.08	-	(30,002.00)	(0.28)	426,977.82
Fund Balance—July 1	3,159,148.58	-	327,352.48	1.40	3,486,500.46
Fund Balance—June 30	\$ 3,816,128.66	\$ -	\$ 297,350.48	\$ 1.14	\$ 3,913,478.28

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

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**
**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2020**

Total net change in fund balances - governmental funds (from B-2)		426,977.82
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The difference in accrued interest is an addition in the reconciliation. (+)</p>		
Interest paid	82,259.26	
Interest accrued	<u>(79,207.70)</u>	3,051.56
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense	(319,180.60)	
Capital outlays (exclusive of capital lease principal payments and SDA Debt Service Assessment)	<u>324,417.09</u>	5,238.49
<p>Adjustment to Capital Assets in accordance with physical appraisal and dispositions</p>		
-		
<p>In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)</p>		
-		
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and unused sick pay) 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation (+).</p>		
30,755.61		
<p>Governmental funds report district pension contributions as expenditures. In the statement of activities, however, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
District pension contributions - PERS	130,361.00	
Cost of benefits earned net of employees contributions	<u>90,892.00</u>	221,253.00
<p>long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Debt principal		525,000.00
Capital lease principal		-
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>		
Proceeds of long-term debt		-
Capital lease proceeds		-
<p>Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (Donated Capital Assets) (+)</p>		
-		
Change in net position of governmental activities		<u>1,212,274.48</u>

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

PROPRIETARY FUNDS

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Statement of Net Position
Proprietary Funds
June 30, 2020**

	Business-type Activities - Enterprise Funds			Totals
	Milk Program	Montvale Summer Institute	Child Care	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 6,250.17	\$ 5,641.57	\$220,096.84	\$ 231,988.58
Accounts receivable	-	-	1,547.25	1,547.25
Total Current Assets	<u>6,250.17</u>	<u>5,641.57</u>	<u>221,644.09</u>	<u>233,535.83</u>
Noncurrent assets:				
Furniture, machinery and equipment	54,097.33			54,097.33
Less accumulated depreciation	<u>(39,413.67)</u>			<u>(39,413.67)</u>
Total Noncurrent Assets	<u>14,683.66</u>	-	-	<u>14,683.66</u>
Total Assets	<u>20,933.83</u>	<u>5,641.57</u>	<u>221,644.09</u>	<u>248,219.49</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	5,709.60		750.00	6,459.60
Unearned revenue	-	5,360.00	-	5,360.00
Total Current Liabilities	<u>5,709.60</u>	<u>5,360.00</u>	<u>750.00</u>	<u>11,819.60</u>
NET POSITION				
Net Investment in capital assets	14,683.66			14,683.66
Unrestricted	<u>540.57</u>	<u>281.57</u>	<u>220,894.09</u>	<u>221,716.23</u>
Total Net Position	<u>\$ 15,224.23</u>	<u>\$ 281.57</u>	<u>\$220,894.09</u>	<u>\$ 236,399.89</u>

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

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds			
	Milk Program	Montvale Summer Institute	Child Care	Totals
Operating Revenues:				
Charges for services:				
Daily sales - reimbursable programs	\$ 6,022.12	\$ -		\$ 6,022.12
Program fees	-	20,585.00	288,044.55	308,629.55
Total Operating Revenues	<u>6,022.12</u>	<u>20,585.00</u>	<u>288,044.55</u>	<u>314,651.67</u>
Operating Expenses:				
Cost of sales	5,250.80			5,250.80
Salaries		14,903.34	223,147.38	238,050.72
Employee benefits		1,087.42	22,589.01	23,676.43
General supplies		2,372.09	25,487.79	27,859.88
Rent		3,500.00	39,000.00	42,500.00
Depreciation	1,033.17	-	-	1,033.17
Total Operating Expenses	<u>6,283.97</u>	<u>21,862.85</u>	<u>310,224.18</u>	<u>338,371.00</u>
Operating Income (Loss)	<u>(281.85)</u>	<u>(1,277.85)</u>	<u>(22,179.63)</u>	<u>(23,719.33)</u>
Nonoperating Revenues (Expenses):				
Federal sources:				
Special milk program	3,563.58			3,563.58
Interest and investment revenue	-			-
Total Nonoperating Revenues (Expenses)	<u>3,563.58</u>	<u>-</u>	<u>-</u>	<u>3,563.58</u>
Income (loss) before contributions and transfers	<u>3,301.73</u>	<u>(1,277.85)</u>	<u>(22,179.63)</u>	<u>(20,155.75)</u>
Change in net position	3,301.73	(1,277.85)	(22,179.63)	(20,155.75)
Total Net Position—Beginning	<u>11,922.50</u>	<u>1,559.42</u>	<u>243,073.72</u>	<u>256,555.64</u>
Total Net Position—Ending	<u>\$ 15,224.23</u>	<u>\$ 281.57</u>	<u>\$ 220,894.09</u>	<u>\$ 236,399.89</u>

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

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020**

	Business-type Activities - Enterprise Funds			
	Milk Program	Montvale Summer Institute	Child Care	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 6,498.28	\$ 12,270.00	\$ 290,982.30	\$ 309,750.58
Payments to employees	-	(14,903.34)	(223,147.38)	(238,050.72)
Payments for employee benefits	-	(1,087.42)	(22,589.01)	(23,676.43)
Payments to suppliers	<u>(6,201.10)</u>	<u>(5,872.09)</u>	<u>(102,643.56)</u>	<u>(114,716.75)</u>
Net cash provided by (used for) operating activities	<u>297.18</u>	<u>(9,592.85)</u>	<u>(57,397.65)</u>	<u>(66,693.32)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Federal Sources	<u>3,563.58</u>			<u>3,563.58</u>
Net cash provided by (used for) non-capital financing activities	<u>3,563.58</u>			<u>3,563.58</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	<u>(5,709.60)</u>			<u>(5,709.60)</u>
Net cash provided by (used for) capital and related financing activities	<u>(5,709.60)</u>	-	-	<u>(5,709.60)</u>
Net increase (decrease) in cash and cash equivalents	(1,848.84)	(9,592.85)	(57,397.65)	(68,839.34)
Balances—beginning of year	<u>8,099.01</u>	<u>15,234.42</u>	<u>277,494.49</u>	<u>300,827.92</u>
Balances—end of year	<u>\$ 6,250.17</u>	<u>\$ 5,641.57</u>	<u>\$ 220,096.84</u>	<u>\$ 231,988.58</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (261.85)	\$ (1,277.85)	\$ (22,179.63)	\$ (23,719.33)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and net amortization	1,033.17			1,033.17
(Increase) decrease in accounts receivable, net	476.16		2,937.75	3,413.91
Increase (decrease) in deferred inflows of resources		(8,315.00)		(8,315.00)
Increase (decrease) in accounts payable	<u>(950.30)</u>	<u>-</u>	<u>(38,155.77)</u>	<u>(39,106.07)</u>
Total adjustments	<u>559.03</u>	<u>(8,315.00)</u>	<u>(35,218.02)</u>	<u>(42,973.99)</u>
Net cash provided by (used for) operating activities	<u>\$ 297.18</u>	<u>\$ (9,592.85)</u>	<u>\$ (57,397.65)</u>	<u>\$ (66,693.32)</u>

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

FIDUCIARY FUNDS

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020**

	Unemployment Compensation <u>Trust</u>	Agency <u>Fund</u>
ASSETS		
Cash and cash equivalents	\$ 164,437.77	\$ 188,116.47
Interfund accounts receivable	<u>56,434.71</u>	<u>-</u>
Total Assets	<u>\$ 220,872.48</u>	<u>\$ 188,116.47</u>
LIABILITIES		
Interfund accounts payable		\$ 56,434.71
Payable to student groups		78,297.70
Payroll deductions and withholdings		2,744.06
School #2 Escrow		<u>50,640.00</u>
Total Liabilities		<u>\$ 188,116.47</u>
NET POSITION		
Held in trust for unemployment claims and other purposes	<u>\$ 220,872.48</u>	

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

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020**

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ 33,391.96
Budget	<u>10,000.00</u>
Total Contributions	<u>43,391.96</u>
Investment earnings:	
Interest	<u>2,328.60</u>
Net investment earnings	<u>2,328.60</u>
Total Additions	<u>45,720.56</u>
DEDUCTIONS	
Unemployment claims	<u>16,711.92</u>
Total Deductions	<u>16,711.92</u>
Change in Net Position	29,008.64
Net Position—beginning	<u>191,863.84</u>
Net Position—ending	<u>\$ 220,872.48</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note I: Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Board of Education (Board) of the Borough of Montvale School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

B. Reporting Entity

The Borough of Montvale School District 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.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include one elementary and one middle schools located in Montvale. 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.

C. Basic Financial Statements- Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's milk service, extended school year, child care and safetytown programs are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note I: Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements- Government-Wide Statements

The government-wide Statement of Activities reports both the gross and net costs of each of the District's functions and business-type activities. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student and instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

- a. The District allocates indirect costs such as on-behalf TPAF Pension Contributions, on-behalf TPAF and PERS OPEB Contributions and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are excluded from the government-wide financial statements.

D. Basic Financial Statements- Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the GASB criteria are applied to proprietary funds.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note I: Summary of Significant Accounting Policies (Continued)

D. Basic Financial Statements- Fund Financial Statements (Continued)

The following fund types are used by the District:

Governmental Fund Types

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

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

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution and, excluding equipment, with County Superintendent approval.

Special Revenue Fund – The Special Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

Permanent Fund – A permanent fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note I: Summary of Significant Accounting Policies (Continued)

D. Basic Financial Statements- Fund Financial Statements (Continued)

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws or other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is uncured for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds as needed.

Proprietary Fund Type

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The generally accepted accounted principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Funds – The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note I: Summary of Significant Accounting Policies (Continued)

D: Basic Financial Statements- Fund Financial Statements (Continued)

Proprietary Fund Type(Continued)

The District's Enterprise Funds are comprised of the Milk Program, Extended School Year Program, Child Care and Safetytown.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	12 Years
Light Trucks and Vehicle	4 Years
Heavy Trucks and Vehicle	6 Years

Fiduciary Fund Types

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (Unemployment Compensation, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

E. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement of focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when incurred.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note I: Summary of Significant Accounting Policies (Continued)

E. Basis of Accounting (Continued)

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

3. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient. Program revenues, including tuition revenue, are reported as reductions to expenses in the Statement of Activities.

4. Expenditures:

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period of purchase.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note I: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPS, the voters have an opportunity to approve or reject the budget at the regular election held in November.

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. 6:23-2.2(f). All budget amendments must be approved by School Board resolution. Appropriation of capital reserve in the amount of \$14,000.00 and prior year encumbrances in the amount of \$124,929.62 were made during the year ended June 30, 2020. The Board of Education approved the following material budgetary appropriation transfers during the school year:

<u>Account Name</u>	<u>Amount</u>
Resource Room/Resource Center	
Salaries of Teachers	\$ 47,000.00
Preschool Disabilities – Full-Time:	
Salaries of Teachers	90,000.00
Other Salaries for Instruction	68,000.00
Undistributed Expenditures – Instruction:	
Tuition to Other LEAs Within the State - Special	(102,501.00)
Tuition to CSSD & Regional Day Schools	27,747.00
Undist. Expend. – Health Services	
Salaries	(24,100.00)
Purchased Professional and Technical Services	21,500.00
Undist. Expend. – Speech, OT, PT & Related Services	
Salaries of Other Professional Staff	20,000.00
Undist. Expend. – Other Supp. Serv. Students – Extra Serv.	
Salaries of Other Professional Staff	(84,500.00)
Undist. Expend. – Central Services	
Undist. Expend.- Oth. Oper. & Maint. of Plant	
General Supplies	23,600.00
Undist. Expend. – Security	
Purchased Professional and Technical Services	(23,245.00)
UNALLOCATED BENEFITS	
Other Retirement Contribution - PERS	(22,800.00)
Health Benefits	(104,000.00)
CAPITAL OUTLAY	
Equipment	
Regular Programs - Instruction:	
Grades 1-5	22,500.00
Grades 6-8	47,151.00

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note I: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control (Continued)

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 legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The special revenue fund had no encumbrances at June 30, 2020.

The reconciliation of the general and special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting is as follows.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 20,469,858.91	\$ 392,792.93
Difference - budget to GAAP:		
The last two State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense in accordance with GASB 33.	(14,464.00)	-
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ <u>20,455,394.91</u>	\$ <u>392,792.93</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 20,005,213.38	\$ 392,792.93
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ <u>20,005,213.38</u>	\$ <u>392,792.93</u>

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity

1. Deposits and Investments

Deposits are cash and cash equivalents including petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Other than Certificates of Deposit, deposits with maturities of greater than three months are considered to be Investments. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types 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.

2. Short – term Interfund Receivables/Payables

Short – term interfund receivables/payables represents 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.

3. Inventories

Inventories, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method.

4. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on the following assets is provided on the straight – line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and Equipment	5-10 years
Land Improvements	10-20 years
Other Infrastructure	10-50 years

Land and Construction in Progress are not depreciated.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

4. Capital Assets (Continued)

GASB No. 34 requires the District to report and depreciate new infrastructure assets effective with the beginning of the current year. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006.

5. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government – wide presentations. (See Note XII)

6. Unearned Revenue

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned.

7. Long – term Obligations

Long – term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long – term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government – wide presentations.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

8. Fund Equity

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

9. Net Position

Net Position represents the difference between assets and liabilities in the District-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the District-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

10. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

11. Allocation of Costs

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the original budgetary expenditures by program.

H. Recent Accounting Pronouncements Not Yet Effective

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 "Fiduciary Activities". This statement, which is effective for fiscal periods beginning after December 15, 2019, could have significant effects on the entity's financial reporting and the provisions of this statement could require significant modifications to disclosure requirements.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for fiscal periods beginning after December 15, 2019, could have significant effects on the entity's financial reporting and the provisions of this statement could require significant modifications to disclosure requirements.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note II: Reconciliation of Government Wide and Fund Financial Statements**Explanation of Differences between Governmental Funds Balance Sheet and the Statement of Net Position**

"Total fund balances" of the District's governmental funds in B-1 differs from "net position" of governmental activities reported in the statement of net position in A-1. This difference primarily results from the long - term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets.

	<u>Balance Sheet/Statement of Net Position</u>			Statement of Net Position Totals
<u>Assets</u>	Total Governmental Funds	Long - term Assets Liabilities (1)	Reclassifications and Eliminations	
Cash and cash equivalents	\$ 1,591,371.55	\$ -	\$ (297,350.48)	\$ 1,294,021.07
Receivables, net			340,248.00	340,248.00
Receivables from Other Governments	318,350.32		(318,350.32)	-
Transportation Fees Receivable	73.00		(73.00)	-
Other Receivables	21,824.68		(21,824.68)	-
Restricted assets:				
Cash and cash equivalents			297,350.48	297,350.48
Capital Reserve Account - cash	2,066,934.47			2,066,934.47
Maintenance Reserve Account - cash	100,000.00			100,000.00
Capital Assets, net	-	9,602,385.20	-	9,602,385.20
Total Assets	4,098,554.02	9,602,385.20	-	13,700,939.22
<u>Deferred Outflows of Resources</u>				
Deferred outflows related to pensions		540,134.00		540,134.00
Total Deferred Outflows of Resources	-	540,134.00	-	540,134.00
Total Assets and Deferred Outflows of Resources	\$ 4,098,554.02	\$ 10,142,519.20	\$ -	\$ 14,241,073.22
<u>Liabilities</u>				
Accounts Payable	\$ 185,075.74	\$ -	\$ -	\$ 185,075.74
Bond Interest Payable			7,568.35	7,568.35
Noncurrent Liabilities	-	3,829,427.00	230,761.23	4,060,188.23
Total Liabilities	185,075.74	3,829,427.00	238,329.58	4,252,832.32
<u>Deferred Inflows of Resources</u>				
Deferred inflows related to pensions		1,515,183.00		1,515,183.00
Total Deferred Inflows of Resources	-	1,515,183.00	-	1,515,183.00
Total Liabilities and Deferred Inflows of Resources	185,075.74	5,344,610.00	238,329.58	5,768,015.32
<u>Fund Balances/Net Position</u>				
<u>Net Position</u>				
Net investment in capital assets		8,178,385.20		8,178,385.20
Restricted for:				
Capital projects	2,364,284.95			2,364,284.95
Debt Service	1.14		(7,568.35)	(7,567.21)
Other purposes	1,015,120.72			1,015,120.72
Unrestricted	534,071.47	(3,380,476.00)	(230,761.23)	(3,077,165.76)
Total Fund Balances/Net Position	3,913,478.28	4,797,909.20	(238,329.58)	8,473,057.90
Total Liabilities, Deferred Inflows of Resources and Fund Balances/Net Position	\$ 4,098,554.02	\$ 8,627,336.20	\$ -	\$ 14,241,073.22

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

Note II: Reconciliation of Government Wide and Fund Financial Statements (Continued)

Explanation of Differences between Governmental Funds Balance Sheet and the Statement of Net Position (Continued)

1. When Capital Assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the District as a whole.

Cost of capital assets	\$	16,633,239.40
Accumulated depreciation		<u>(7,030,854.20)</u>
	\$	<u>9,602,385.20</u>

Long - term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long - term are reported in the statement of net position.

Net PERS Pension Liability	\$	2,405,427.00
Deferred outflows related to pensions		(540,134.00)
Deferred inflows related to pensions		<u>1,515,183.00</u>
	\$	<u>3,380,476.00</u>
Serial Bonds	\$	1,424,000.00
Compensated Absences		<u>230,761.23</u>
	\$	<u>1,654,761.23</u>

Adjustment to Debt Service Fund net position for the accrual of interest expense.

	\$	<u>(7,568.35)</u>
--	----	-------------------

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

Note II: Reconciliation of Government Wide and Fund Financial Statements (Continued)

Explanation of Differences between Governmental Funds Operating Statement of Activities

The "net change in fund balances" for governmental funds in B-2 differs from the "change in net position" for governmental activities reported in the statement of activities in A-2. The difference arises primarily for the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities

	Total Governmental Funds	Long-term Revenue, Expenses (2)	Capital Related Items (3)	Long-term Debt Transactions (4)	Reclassifications and Eliminations (5)	Statement of Activities Totals
Revenue and Other Sources						
Local Tax Levy	\$ 16,955,391.00	\$ -	\$ -	\$ -	\$ -	\$ 16,955,391.00
Tuition Charges	44,372.40					44,372.40
Transportation Fees	54,935.50					54,935.50
Interest Earned on Investments	56,878.29					56,878.29
Miscellaneous	96,437.90					96,437.90
State Sources	3,836,163.98				1,703,789.00	5,541,952.98
Federal Sources	388,064.32	-	-	-	-	388,064.32
Total	21,432,243.39	-	-	-	1,703,789.00	23,138,032.39
Expenditures						
Current:						
Regular instruction	5,772,688.82		231,453.46	(83,651.69)	3,777,511.59	9,698,002.18
Special education	1,707,638.86		31,561.84	(12,810.59)	1,034,633.95	2,761,024.06
Other instruction	587,202.63		5,048.35	(5,061.13)	408,757.26	995,947.13
Support Services and undistributed costs:						
Tuition	887,915.07					887,915.07
Student and instruction related services	2,023,368.00		9,005.00	(12,659.20)	1,022,407.03	3,042,320.83
School administrative services	710,878.64		5,489.35	(6,029.03)	486,928.75	1,197,267.71
General and business administrative services	843,055.69		28,125.73	(4,484.71)	476,315.51	1,343,012.24
Plant operations and maintenance	1,239,666.60		8,496.85	3,126.59	168,067.89	1,419,357.93
Pupil transportation	467,100.13			(77.85)	6,287.76	473,310.06
Unallocated Benefits	5,805,481.74				(5,805,481.74)	-
Capital Outlay	352,810.09		(324,417.09)			28,393.00
Debt Service:						
Principal	525,000.00			(525,000.00)		-
Interest	82,259.26	(7,051.56)	-	-	-	79,207.70
Total	21,005,265.57	(7,051.56)	(5,236.49)	(646,647.61)	1,373,428.00	21,925,757.91
Net Change for the Year	\$ 426,977.82	\$ 3,051.56	\$ 5,236.49	\$ 646,647.61	\$ 130,361.00	\$ 1,212,274.48

2. In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliations. (+)

\$ 3,051.56

3. 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 which capital outlays exceeded depreciation in the period.

Depreciation expense	\$ (319,180.60)
Capital outlays (exclusive of capital lease payments and SDA Debt Service Assessment)	324,417.09
	<u>\$ 5,236.49</u>

3. Adjustment to Capital Assets in accordance with physical appraisal and dispositions

\$ -

3. In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)

\$ -

3. Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (Donated Capital Assets) (+)

\$ -

4. 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

\$ 30,755.61

Governmental funds report district pension contributions as expenditures. In the statement of activities, however, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Cost of benefits earned net of employee contributions	90,892.00
-------------------------------------------------------	-----------

Payment of long-term liability principal is an expenditure in the government funds, but the payment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Debt principal	525,000.00
Capital lease principal	-
	<u>\$ 646,647.61</u>

4. Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities, issuing debt increases long-term liabilities in the statement of net assets.

Proceeds of long-term debt	\$ -
Capital lease proceeds	-
	<u>\$ -</u>

5. Allocate Benefits expenditures and eliminate PERS contribution (\$130,361.00)

5. GASB 68 and 75 adjustments: Replace OPEB on-behalf payments and revenues with Pension and OPEB Expenses and Revenues (\$1,703,789.00)

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note III: Detailed Disclosure Regarding Assets and Revenues

A. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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 public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection 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 at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

At June 30, 2020, the Borough of Montvale School District's cash and cash equivalent's amounted to \$4,773,565.18. Of this amount, \$250,000.00 was covered by federal depository insurance (F.D.I.C.) and \$1,625,453.27 was covered by a collateral pool maintained by the banks as required by GUDPA.

At June 30, 2020, the Borough of Montvale School District's participation in the State of New Jersey Cash Management Fund amounted to \$2,898,111.91.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires the disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Borough of Montvale School District will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party.

As of June 30, 2020, \$2,898,111.91 of the Borough of Montvale School District's cash and cash equivalents of \$4,773,565.18 was exposed to custodial credit risk as follows:

Uninsured and collateral held by public depository or by its' trust department not in the Borough of Montvale School District's name	<u>\$ 2,898,111.91</u> <u>\$ 2,898,111.91</u>
--------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note III: Detailed Disclosure Regarding Assets and Revenues (Continued)

A. Deposits and Investments (Continued)

Investments

New Jersey statutes (N.J.S.A. 18A:20-37) permit the Borough of Montvale School District to purchase the following types of securities:

a. When authorized by resolution adopted by a majority vote of all its members the board of education of any school district may use moneys which may be in hand for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the school district;

(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 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, approved by the Division of Investment of the Department of the Treasury for investment by school district;

(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;

(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 for which a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Montvale School District had no investments as described in Note I:G.1 at June 30, 2020.

B. Interfund Receivables and Payables

As of June 30, 2020, there were no interfund receivables and payables resulting from various interfund transactions

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note III: Detailed Disclosure Regarding Assets and Revenues (Continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustment</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 250,000.00	\$ -	\$ -	\$ 250,000.00
Construction in Progress	783,600.68	-	-	783,600.68
Total Capital assets not being depreciated	<u>1,033,600.68</u>	<u>-</u>	<u>-</u>	<u>1,033,600.68</u>
Buildings and Improvements	14,349,292.12	281,546.38		14,630,838.50
Machinery and Equipment	925,929.51	42,870.71	-	968,800.22
Totals at historical cost	<u>15,275,221.63</u>	<u>324,417.09</u>	<u>-</u>	<u>15,599,638.72</u>
Less accumulated depreciation for:				
Buildings and Improvements	(6,172,596.70)	(237,972.63)		(6,410,569.33)
Machinery and Equipment	(539,076.90)	(81,207.97)	-	(620,284.87)
Total accumulated depreciation	<u>(6,711,673.60)</u>	<u>(319,180.60)</u>	(1)	<u>(7,030,854.20)</u>
Net capital assets being depreciated	<u>8,563,548.03</u>	<u>5,236.49</u>	<u>-</u>	<u>8,568,784.52</u>
Governmental activities capital assets, net	<u>\$ 9,597,148.71</u>	<u>\$ 5,236.49</u>	<u>\$ -</u>	<u>\$ 9,602,385.20</u>
Business - type activities:				
Equipment	\$ 48,387.73	\$ 5,709.60	\$ -	\$ 54,097.33
Less accumulated depreciation	(38,380.50)	(1,033.17)	-	(39,413.67)
Business - type activities capital assets, net	<u>\$ 10,007.23</u>	<u>\$ 4,676.43</u>	<u>\$ -</u>	<u>\$ 14,683.66</u>

(1) Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 231,453.46
Special Education	31,561.84
Other Instruction (Athletic)	5,048.35
Student and Instruction Related Services	9,005.00
School Administrative Services	5,489.35
General and Business Administrative Services	28,125.75
Plant Operations and Maintenance	<u>8,496.85</u>
	<u>\$ 319,180.60</u>

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note IV: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

A. Operating Leases

The District has commitments to lease copiers under operating leases which expire in 2021. Total operating lease payments made during the year ended June 30, 2020 were \$40,511.64 . Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2021	\$ <u>10,031.94</u>
Total future minimum lease payments	\$ <u>10,031.94</u>

B. Long - Term Liabilities

Long - Term liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Accrued</u>	<u>Paid</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Long - Term debt:					
Serial Bonds	\$ <u>1,949,000.00</u>	\$ -	\$ <u>(525,000.00)</u>	\$ <u>1,424,000.00</u>	\$ <u>533,000.00</u>
Total debt payable	<u>1,949,000.00</u>	<u>-</u>	<u>(525,000.00)</u> (1)	<u>1,424,000.00</u>	<u>533,000.00</u>
Other liabilities:					
Compensated absences	<u>261,516.84</u>	<u>(23,315.61)</u>	<u>(7,440.00)</u>	<u>230,761.23</u>	<u>-</u>
Total other liabilities	<u>261,516.84</u>	<u>(23,315.61)</u>	<u>(7,440.00)</u> (2)	<u>230,761.23</u>	<u>-</u>
Governmental activities					
long - term liabilities	<u>\$ 2,210,516.84</u>	<u>\$ (23,315.61)</u>	<u>\$ (532,440.00)</u>	<u>\$ 1,654,761.23</u>	<u>\$ 533,000.00</u>

(1) Paid by debt service fund

(2) Paid by general fund

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note IV: Detailed Disclosure Regarding Liabilities and Expenses/Expenditures (Continued)

B. Long – Term Liabilities (Continued)

1. Bonds Payable

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

Serial Bonds outstanding as of June 30, 2020 consisted of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
School Bonds of 2001	Various	5/15	2021	\$ 5,983,000.00	\$ 393,000.00
School Bonds of 2006	Various	11/15	2026	<u>2,371,000.00</u>	<u>1,031,000.00</u>
				<u>\$ 8,354,000.00</u>	<u>\$ 1,424,000.00</u>

Principal and interest due on serial bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$533,000.00	\$57,746.76	\$590,746.76
2022	145,000.00	32,888.00	177,888.00
2023	150,000.00	26,988.00	176,988.00
2024	150,000.00	20,988.00	170,988.00
2025	150,000.00	14,988.00	164,988.00
2026	150,000.00	8,950.50	158,950.50
2027	<u>146,000.00</u>	<u>2,956.50</u>	<u>148,956.50</u>
	<u>\$1,424,000.00</u>	<u>\$165,505.76</u>	<u>\$1,589,505.76</u>

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note IV: Detailed Disclosure Regarding Liabilities and Expenses/Expenditures (Continued)

C. Long – Term Liabilities (Continued)

2. Temporary Notes

There were no Temporary Notes outstanding as of June 30, 2020.

3. Bonds Authorized But Not Issued

There were authorized but not issued bonds in the amount of \$640.00 as of June 30, 2020.

4. Capital Leases Payable

There were no Capital Leases as of June 30, 2020.

Note V: Detailed Disclosure Regarding Fund Equity

A. Reserved-Restricted Fund Balance

In accordance with N.J.A.C.6A:23A-14.3 the Board has reserved fund balances in the amount of \$100,000.00 as of June 30, 2020. These are funds anticipated to be required for future required maintenance.

B. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.73 (S1701), the designation for Reserved Fund Balance—Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$800,000.00. The reserved fund balance of \$400,000.00 has been appropriated in the fiscal year 2020-2021 and \$400,000.00 will be appropriated in the fiscal year 2021-2022.

C. Capital Reserve Account

During fiscal year 1996-1997 the Board passed a resolution for the establishment of a capital reserve account. The 1997-1998 certified budget included a \$200,000.00 Board approved transfer from excess unreserved fund balance 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.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note V: Detailed Disclosure Regarding Fund Equity (Continued)

C. Capital Reserve Account (Continued)

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

A summary of the account's transactions is as follows:

1997-1998 Budget (described above)	\$ 200,000.00
For the period 1997-2014	
Investment Income	69,571.29
Budget (Unreserved Fund Balance)	475,000.00
Unexpected Capital Project	36,793.29
Budgeted Withdrawal	(630,537.25)
2014-2015 Investment Income	226.33
2014-2015 Budget (Unreserved Fund Balance)	150,000.00
2015-2016 Investment Income	1,113.24
2015-2016 Budget (Unreserved Fund Balance)	600,000.00
2016-2017 Investment Income	3,883.80
2016-2017 Budget (Unreserved Fund Balance)	426,867.54
2016-2017 Budgeted Withdrawal	(300,000.00)
2017-2018 Investment Income	500.00
2017-2018 Budget (Unreserved Fund Balance)	458,733.60
2017-2018 Transfer from Capital Projects Fund	1,089.00
2018-2019 Investment Income	19,398.61
2018-2019 Budget (Unreserved Fund Balance)	368,186.92
2018-2019 Budget Expenditure	(217,647.00)
2019-2020 Investment Income	22,885.55
2019-2020 Budget (Unreserved Fund Balance)	644,869.55
2019-2020 Budget Withdrawal	<u>(264,000.00)</u>
 Balance June 30, 2020	 <u>\$2,066,934.47</u>

The June 30, 2020 LRFP balance of local support costs of uncompleted capital projects at June 30, 2020 is \$26,610,641.00. However, the LRFP is in the process of being revised.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note VI: Pension Plans

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost sharing plan with special funding situations as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The PERS is considered a cost sharing multiple-employer defined benefit plan. The DCRP is considered a cost sharing multiple-employer defined contribution plan.

The Public Employees' Retirement System (PERS) was established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system.

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

The following represents the membership tiers for PERS:

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

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

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note VI: Pension Plans (Continued)

The Teachers' Pension and Annuity Fund (TPAF) was established in 1955, under the provisions of N.J.S.A. 18:66, to provide coverage including post-retirement health care to substantially all full-time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 for post-retirement health care coverage.

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq.). The DCRP is a cost sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq..

According to the state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement systems terminate. The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note VI: Pension Plans (Continued)

Contribution Requirements

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the employer. The employer's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2020, the employer's pension contribution was less than the actuarial determined amount.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2020, the State's pension contribution was less than the actuarial determined amount.

The District's total payroll for the year ended June 30, 2020 was \$10,893,633.43 and covered payroll was \$8,572,396.00 for TPAF, \$1,036,595.00 for PERS and \$443,827.28 for DCRP. Contributions to the TPAF, PERS and the DCRP for the last three years made by the employees, Borough of Montvale School District and the State were as follows:

		<u>TPAF</u>	<u>Percent of Covered Payroll</u>	<u>PERS</u>	<u>Percent of Covered Payroll</u>	<u>DCRP</u>	<u>Percent of Covered Payroll</u>
Employees	6/30/18	\$590,988.39	7.45 %	\$71,943.83	7.38 %	\$22,128.78	5.50 %
	6/30/19	613,755.86	7.53 %	73,667.33	7.54 %	23,289.17	5.50 %
	6/30/20	644,828.75	7.52 %	77,744.87	7.50 %	24,410.58	5.50 %
District	6/30/18	N/A	N/A %	\$130,504.13	13.39 %	\$12,070.24	3.00 %
	6/30/19	N/A	N/A %	147,447.00	15.10 %	12,703.19	3.00 %
	6/30/20	N/A	N/A %	130,361.00	12.58%	13,314.82	3.00 %
State of NJ	6/30/18	\$1,023,208.00	12.89 %	N/A	N/A %	N/A	N/A %
	6/30/19	1,443,945.00	17.71 %	N/A	N/A %	N/A	N/A %
	6/30/20	1,653,324.00	19.29 %	N/A	N/A %	N/A	N/A %

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$602,488.98 during the year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount and the State of New Jersey's Contribution to the TPAF and PERS for OPEB have been included in the basic financial statements and the budgetary comparison schedule – General Fund as a revenue and expenditure in accordance with GASB 24.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note VII: Public Employees Retirement System (PERS)

Summary of Significant Accounting Policies

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

At June 30, 2020, the District reported a liability of \$2,405,427.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 employers, actuarially determined. At June 30, 2019, the District's proportion was 0.0133497763%, which was a decrease of 9.51% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$(108,485.00). At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 43,174	\$ 10,626
Changes of assumptions	240,191	834,916
Net difference between projected and actual earnings on pension plan investments		37,971
Changes in proportion and differences between District contributions and proportionate share of contributions	126,408	631,670
District contributions subsequent to the measurement date	<u>130,361</u>	
Total	<u>\$ 540,134</u>	<u>\$ 1,515,183</u>

\$130,361 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2020	\$ (69,458)
2021	(225,320)
2022	(201,197)
2023	(94,473)
2024	<u>(9,701)</u>
Total	<u>\$ (600,148)</u>

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note VII: Public Employees Retirement System (Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	1.55% - 4.45% (based on years of service)
Thereafter	2.75% - 5.65% (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 an 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note VII: Public Employees Retirement System (Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on 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. 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 70 % 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 projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note VII: Public Employees Retirement System (Continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.28%, 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 (5.28%) or 1-percentage point higher (7.28%) than the current rate:

	1% Decrease <u>(5.28%)</u>	Current Discount Rate <u>(6.28%)</u>	1% Increase <u>(7.28%)</u>
District's proportionate share of the net pension liability	\$3,038,535	2,405,427	1,872,144

Note VIII: Teachers Pension and Annuity Fund (TPAF)

Summary of Significant Accounting Policies

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

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the District	<u>44,133,179</u>
Total	<u>\$44,133,179</u>

The net pension liability was measured as of June 30, 2019 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 school districts and the State, actuarially determined. At June 30, 2019, the District's proportion was 0.00%, which was a decrease of 0.00% from its proportion measured as of June 30, 2018.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note VIII: Teachers Pension and Annuity Fund (TPAF) (Continued)

For the year ended June 30, 2019, the State (for the District) recognized pension expense of \$2,603,093 and revenue of \$2,603,093 for support provided by the State. At June 30, 2019, the State (for the District) reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ 863,381	\$153,051
Changes of assumptions	6,262,285	12,312,654
Net difference between projected and actual earnings on pension plan investments		117,200
Changes in proportion and differences between State contributions associated with the District and proportionate share of contributions	121,256	19,976
State's contribution associated with the District subsequent to the measurement date	<u>1,653,324</u>	
Total	<u>\$ 8,900,245</u>	<u>\$ 12,602,881</u>

\$1,653,324 reported as deferred outflows of resources related to pensions resulting from State contributions associated with the District subsequent to the measurement date (i.e. for the school year ending June 30, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2020	\$ (195,893)
2021	(506,449)
2022	(453,451)
2023	(874,724)
2024	(1,712,456)
Thereafter	<u>(1,727,441)</u>
Total	<u>\$ (5,470,414.91)</u>

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note VIII: Teachers Pension and Annuity Fund (TPAF)(Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	1.55% - 4.45% (based on years of service)
Thereafter	2.75% - 5.65% (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 an 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note VIII: Teachers Pension and Annuity Fund (TPAF)(Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on 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. 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 the contribution rate in the most recent fiscal year. The State contributed 70% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note VIII: Teachers Pension and Annuity Fund (TPAF)(Continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.60%, 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 (4.60%) or 1-percentage point higher (6.60%) than the current rate:

	1% Decrease <u>(4.60%)</u>	Current Discount Rate <u>(5.60%)</u>	1% Increase <u>(6.60%)</u>
District's proportionate share of the net pension liability	\$52,041,845	44,133,179	37,570,575

Note IX: Health Benefit and Post-Retirement Medical Benefits

State Health Benefit State Fund – Local Education Active (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.46a established the School Employees Health Benefits Program Fund which provides medical coverage to qualified active education participants. Also, education employees are eligible for the Prescription Drug Program coverage after 60 days of employment.

General Information about the OPEB Plan

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired 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. The Local Education Retired Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees; however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State 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 retired 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: TPAF, PERS, PFRS, or ABP. Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Summary of Significant Accounting Policies

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the State Health Benefits Local Education Retired Employees Plan (OPEB), information about OPEB's fiduciary net position and additions to/deductions from OPEB's fiduciary net position have been determined on the same basis as they are reported by OPEB. For this purpose, OPEB recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note IX: Health Benefit and Post-Retirement Medical Benefits (Continued)

At June 30, 2019, the District reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the District	<u>29,997,423</u>
Total	<u>\$29,997,423</u>

The net OPEB liability was measured as of June 30, 2018 and the total OPEB liability to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2018, the District's proportion was 0.00%, which was a decrease of 0.00% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the State (for the District) recognized OPEB expense of \$1,369,373 and revenue of \$1,369,373 for support provided by the State. At June 30, 2018, the State (for the District) reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$	\$ (2,911,920)
Changes of assumptions		(6,724,076)
Net difference between projected and actual earnings on OPEB plan investments		
Changes in proportion	862,429	(64,970)
State contributions subsequent to the measurement date	<u>654,917</u>	
Total	<u>\$ 1,517,346</u>	<u>\$ (9,700,966)</u>

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note IX: Health Benefit and Post-Retirement Medical Benefits (Continued)

Actuarial Assumptions

The collective total OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.5%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 4.55% based on years of service	2.15 – 4.14% based on age
Thereafter	2.00 – 5.45% based on years of service	3.15 – 5.15% based on age

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

Discount Rate

The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the District's proportionate share of the new OPEB liability calculated using the discount rate of 3.87%, as well as what the District's proportional share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.87%) or 1-percentage point higher (4.87%) than the current rate:

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
District's proportionate share of the net pension liability	\$35,462,953	\$29,997,423	\$25,652,806

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note IX: Health Benefit and Post-Retirement Medical Benefits (Continued)

Health Care Trend

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
District's proportionate share of the net OPEB liability	\$24,794,610	\$29,997,423	\$36,878,372

Note X: Deferred Compensation Plan

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

- AXA Equitable
- Lincoln Investment Planning
- Security Benefits
- Met Life

All amounts of compensation deferred under this plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Borough of Montvale (without being restricted to the provisions of benefits under the Plan) subject only to the claims of the Borough of Montvale's general creditors. Participants' rights under the Plan are equivalent to those of general creditors of the Borough of Montvale in an amount equal to the fair market value of the deferred account for each participant.

The maximum amount of deferred compensation for any participant for any taxable year shall not exceed the lesser of \$19,500.00 or 100 percent of the participant's includible compensation for the taxable year except as provide by the limited catch-up provision which may effect a participant's last three taxable years ending before a participant attains normal retirement age as defined by plan.

During the year ended June 30, 2019 and 2020, the employees' contributions to the plan were \$379,200.98 and \$427,347.40, respectively.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note XI: Risk Management

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 table is a summary of district contributions, employee contributions, reimbursements to the state for benefits paid and the ending balance of the district’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$10,000.00	\$ 33,391.96	\$ 3,251.44	\$ 164,437.77
2018-2019	10,000.00	26,672.50	426.64	152,109.17
2017-2018	10,000.00	27,119.89	3,587.69	138,924.28

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 is a member of the South Bergen Workers’ Compensation Plan (the “Plan”). The Plan is a self-administered group of school districts established for the purpose of providing certain low-cost workers’ compensation insurance coverage for member school districts in order to keep local taxes at a minimum. The District pays an annual assessment to the Plan and should it be determined that payments received by the Plan are deficient, additional assessments may be levied.

The District is also a member of the School Alliance Insurance Fund (the “Fund”). The Fund is both an insured and self-administered group of school districts established for the purpose of providing certain low-cost Property Damage, Employer’s Liability, Automobile and Equipment Liability, Environmental Liability, School Board Legal Liability and Boiler and Machinery insurance coverage for member school districts in order to keep local property taxes at a minimum. The District pays an annual assessment to the Fund and should it be determined that payments received by the Fund are deficient, additional assessments may be levied. Additionally, the Fund maintains a contract of excess insurance with a commercial reinsurer to secure the payment of benefits.

The District continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note XII: Compensated Absences

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

District employees are granted vacation and sick leave in varying amounts under the District’s personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee upon reaching eligibility for retirement under a state retirement plan.

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

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note XII: Compensated Absences(Continued)

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, 2020, no liability existed for compensated absences in the Special Milk Program, Montvale Summer Institute or Child Care Program Funds.

Note XIII: Subsequent Events

The Borough of Montvale School District has evaluated subsequent events through August 13, 2020, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

**REQUIRED SUPPLEMENTARY INFORMATION -
PART II**

Section C
BUDGETARY COMPARISON SCHEDULES

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual	
REVENUES:						
Local Sources:						
Local Tax Levy	\$ 16,378,134.00	\$ -	\$ 16,378,134.00	\$ 16,378,134.00	\$ -	
Tuition	12,500.00	-	12,500.00	44,372.40	31,872.40	
Transportation Fees	39,000.00	-	39,000.00	54,935.50	15,935.50	
Interest Earned on Investments	1,000.00	-	1,000.00	27,194.19	26,194.19	
Interest Earned on Capital Reserve Funds	500.00	-	500.00	22,885.55	22,385.55	
Miscellaneous	79,100.00	-	79,100.00	91,709.29	12,609.29	
Total - Local Sources	16,510,234.00	-	16,510,234.00	16,819,230.93	108,996.93	
State Sources:						
Categorical Transportation Aid	192,645.00	-	192,645.00	192,645.00	-	
Categorical Special Education Aid	527,246.00	-	527,246.00	527,246.00	-	
Categorical Security Aid	18,499.00	-	18,499.00	18,499.00	-	
Extraordinary Aid	125,000.00	-	125,000.00	241,848.00	116,848.00	
Nonpublic Transportation Aid	-	-	-	-	-	
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	1,653,324.00	1,653,324.00	
TPAF Pension PRM (On-Behalf - Non-Budgeted)	-	-	-	613,353.00	613,353.00	
TPAF Pension LTDI (On-Behalf - Non-Budgeted)	-	-	-	1,224.00	1,224.00	
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	602,488.98	602,488.98	
Total State Sources	863,390.00	-	863,390.00	3,850,627.98	2,987,237.98	
Total Revenues	17,373,624.00	-	17,373,624.00	20,469,858.91	3,096,234.91	
EXPENDITURES:						
Current Expense:						
Regular Programs - Instruction						
Preschool - Salaries of Teachers	105-100-101	\$ 37,773.00	\$ -	\$ 37,773.00	\$ 37,312.40	\$ 460.60
Kindergarten - Salaries of Teachers	110-100-101	493,297.00	(10,000.00)	483,297.00	472,227.40	11,069.60
Grades 1-5 - Salaries of Teachers	120-100-101	2,850,732.00	-	2,850,732.00	2,770,922.50	79,809.50
Grades 6-8 - Salaries of Teachers	130-100-101	1,997,098.00	(3,000.00)	1,994,098.00	1,904,990.98	89,107.02
Regular Programs - Home Instruction:						
Salaries of Teachers	150-100-101	1,000.00	3,000.00	4,000.00	2,117.50	1,882.50
Purchased Professional-Educational Services	150-100-320	-	1,100.00	1,100.00	987.00	113.00
Regular Programs - Undistributed Instruction						
Other Salaries for Instruction	190-100-106	126,737.00	-	126,737.00	118,957.33	7,779.67
Purchased Professional-Educational Services	190-100-320	54,100.00	4,400.00	58,500.00	58,402.54	97.46
Purchased Technical Services	190-100-340	9,300.00	1,600.00	9,900.00	9,829.00	71.00
Other Purchased Services (400-500 series)	190-100-500	43,860.00	(1,200.00)	42,660.00	42,502.64	157.36
General Supplies	190-100-610	290,844.00	(19,120.00)	271,724.00	249,753.67	21,970.33
Textbooks	190-100-640	10,000.00	(6,400.00)	3,600.00	3,426.93	173.07
TOTAL REGULAR PROGRAMS - INSTRUCTION		5,913,741.00	(29,620.00)	5,884,121.00	5,671,429.89	212,691.11
SPECIAL EDUCATION - INSTRUCTION						
Learning and/or Language Disabilities:						
Salaries of Teachers	204-100-101	121,067.00	1,400.00	122,467.00	122,409.97	57.03
Other Salaries for Instruction	204-100-106	53,576.00	1,600.00	55,176.00	55,103.93	72.07
Purchased Professional-Educational Services	204-100-320	3,850.00	(1,150.00)	2,700.00	1,648.00	1,052.00
General Supplies	204-100-610	3,300.00	(1,780.00)	1,510.00	731.64	778.36
Total Learning and/or Language Disabilities		181,793.00	60.00	181,853.00	179,893.54	1,959.46
Resource Room/Resource Center:						
Salaries of Teachers	213-100-101	985,669.00	47,000.00	1,032,669.00	1,030,026.70	2,642.30
General Supplies	213-100-610	13,649.22	(1,970.00)	11,679.22	11,643.09	36.13
Total Resource Room/Resource Center		999,318.22	45,030.00	1,044,348.22	1,041,669.79	2,678.43
Preschool Disabilities - Part-Time:						
Salaries of Teachers	215-100-101	72,778.00	(7,000.00)	65,778.00	63,470.30	2,307.70
Other Salaries for Instruction	215-100-106	57,146.00	(15,000.00)	42,146.00	41,120.20	1,025.80
Purchased Professional-Educational Services	215-100-320	2,850.00	1,150.00	4,000.00	3,200.00	800.00
General Supplies	215-100-610	1,500.00	1,870.00	3,370.00	1,662.57	1,707.43
Total Preschool Disabilities - Part-Time		134,274.00	(18,980.00)	115,294.00	109,453.07	5,840.93

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020**

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time:						
Salaries of Teachers	218-100-101		90,000.00	90,000.00	88,027.40	1,972.60
Other Salaries for Instruction	218-100-106		68,000.00	68,000.00	67,460.93	539.07
General Supplies	218-100-610		4,000.00	4,000.00	3,977.13	22.87
Total Preschool Disabilities - Full-Time			<u>162,000.00</u>	<u>162,000.00</u>	<u>159,465.46</u>	<u>2,534.54</u>
Home Instruction:						
Salaries of Teachers	219-100-101	\$ 10,000.00	\$ -	\$ 10,000.00	\$ 1,400.00	\$ 8,600.00
Total Home Instruction		<u>10,000.00</u>	<u>-</u>	<u>10,000.00</u>	<u>1,400.00</u>	<u>8,600.00</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION		<u>1,325,385.22</u>	<u>188,110.00</u>	<u>1,513,495.22</u>	<u>1,491,881.88</u>	<u>21,613.36</u>
Basic Skills/Remedial - Instruction						
Salaries of Teachers	230-100-101	481,873.00	-	461,873.00	436,005.78	25,867.22
General Supplies	230-100-610	900.00	(40.00)	860.00	850.22	9.78
Total Basic Skills/Remedial - Instruction		<u>482,773.00</u>	<u>(40.00)</u>	<u>462,733.00</u>	<u>436,856.00</u>	<u>25,877.00</u>
Bilingual Education - Instruction						
Salaries of Teachers	240-100-101	66,445.00	-	66,445.00	66,445.00	-
General Supplies	240-100-610	550.00	(440.00)	110.00	-	110.00
Total Bilingual Education - Instruction		<u>66,995.00</u>	<u>(440.00)</u>	<u>66,555.00</u>	<u>66,445.00</u>	<u>110.00</u>
School-Spon. Co-curricular Activs. - Inst.						
Salaries	401-100-100	53,800.00	-	53,800.00	46,263.00	7,537.00
Purchased Services (300-500 series)	401-100-500	760.00	-	760.00	675.00	85.00
Supplies and Materials	401-100-600	3,000.00	-	3,000.00	988.15	2,011.85
Total School-Spon. Co-curricular Activs. - Inst.		<u>57,560.00</u>	<u>-</u>	<u>57,560.00</u>	<u>47,926.15</u>	<u>9,633.85</u>
School-Spon. Athletics - Instruction						
Salaries	402-100-100	38,000.00	-	38,000.00	31,658.00	6,342.00
Other Purchased Services (400-500 series)	402-100-500	5,500.00	(300.00)	5,200.00	50.00	5,150.00
Supplies and Materials	402-100-600	4,000.00	300.00	4,300.00	4,267.50	32.50
Total School-Spon. Athletics - Instruction		<u>47,500.00</u>	<u>300.00</u>	<u>47,500.00</u>	<u>35,975.50</u>	<u>11,524.50</u>
Total Instruction		<u>7,873,954.22</u>	<u>158,010.00</u>	<u>8,031,964.22</u>	<u>7,750,514.40</u>	<u>281,449.82</u>
Undistributed Expenditures - Instruction:						
Tuition to Other LEAs Within the State - Special	000-100-562	796,704.00	(102,501.00)	694,203.00	693,355.39	847.61
Tuition to CSSD & Regional Day Schools	000-100-565	152,117.80	27,747.00	179,864.80	171,414.06	8,450.74
Tuition to Private Schools for the Disabled - Within State	000-100-568	35,782.00	(11,500.00)	24,282.00	23,145.62	1,136.38
Tuition - Other	000-100-569	1,000.00	-	1,000.00	-	1,000.00
Total Undistributed Expenditures - Instruction:		<u>985,603.80</u>	<u>(86,254.00)</u>	<u>899,349.80</u>	<u>887,915.07</u>	<u>11,434.73</u>
Undistributed Expend. - Attend. & Social Work						
Salaries	000-211-100	11,382.00	100.00	11,482.00	11,404.50	77.50
Purchased Professional and Technical Services	000-211-300	16,000.00	(1,000.00)	15,000.00	14,850.00	150.00
Supplies and Materials	000-211-600	100.00	-	100.00	-	100.00
Total Undistributed Expend. - Attend. & Social Work		<u>27,482.00</u>	<u>(900.00)</u>	<u>26,582.00</u>	<u>26,254.50</u>	<u>327.50</u>
Undist. Expend. - Health Services						
Salaries	000-213-100	187,474.00	(24,100.00)	163,374.00	157,453.25	5,920.75
Purchased Professional and Technical Services	000-213-300	42,288.00	21,500.00	63,788.00	38,518.50	25,269.50
Other Purchased Services (400-500 series)	000-213-500	400.00	(150.00)	250.00	-	250.00
Supplies and Materials	000-213-600	4,000.00	3,250.00	7,250.00	4,938.74	2,311.26
Total Undistributed Expenditures - Health Services		<u>234,162.00</u>	<u>500.00</u>	<u>234,662.00</u>	<u>200,910.49</u>	<u>33,751.51</u>
Undist. Expend. - Speech,OT,PT & Related Services						
Salaries of Other Professional Staff	000-216-100	213,996.00	20,000.00	233,996.00	225,716.38	8,279.62
Purchased Professional - Educational Services	000-216-320	155,000.00	(1,110.00)	153,890.00	121,961.21	31,928.79
Supplies and Materials	000-216-600	2,500.00	-	2,500.00	2,293.42	206.58
Total Undist. Expend. - Speech,OT,PT & Related Services		<u>371,496.00</u>	<u>18,890.00</u>	<u>390,386.00</u>	<u>349,971.01</u>	<u>40,414.99</u>
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.						
Salaries of Other Professional Staff	000-217-100	330,707.00	(84,500.00)	246,207.00	245,971.42	235.58
Purchased Professional - Educational Services	000-217-320	217,000.00	10,404.00	227,404.00	138,311.19	89,092.81
Supplies and Materials	000-217-600	2,000.00	1,100.00	3,100.00	2,460.20	639.80
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.		<u>549,707.00</u>	<u>(72,996.00)</u>	<u>476,711.00</u>	<u>386,742.81</u>	<u>89,968.19</u>
Undist. Expend. - Guidance						
Salaries of Other Professional Staff	000-218-104	153,740.00	-	153,740.00	152,548.82	1,191.18
Purchased Professional - Educational Services	000-218-320	5,000.00	5,000.00	5,000.00	5,000.00	-
Supplies and Materials	000-218-600	600.00	(100.00)	500.00	230.52	269.48
Total Undist. Expend. - Guidance		<u>154,340.00</u>	<u>4,900.00</u>	<u>159,240.00</u>	<u>157,779.34</u>	<u>1,460.66</u>

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020**

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Child Study Team						
Salaries of Other Professional Staff	000-219-104	\$ 337,786.00	\$ (11,900.00)	\$ 325,886.00	\$ 325,805.86	\$ 80.14
Salaries of Secretarial and Clerical Assistants	000-219-105	62,795.00	(6,000.00)	56,795.00	52,787.58	4,007.42
Purchased Professional - Educational Services	000-219-320	75,000.00	10,550.00	85,550.00	80,252.32	5,297.68
Other Purchased Prof. and Tech. Services	000-219-390	26,600.00	17,170.00	43,770.00	39,723.54	4,046.46
Other Purchased Services (400-500 series)	000-219-500	7,500.00	(3,200.00)	4,300.00	3,914.32	385.68
Supplies and Materials	000-219-600	6,000.00	4,880.00	10,880.00	10,733.04	146.96
Total Undist. Expend. - Child Study Team		515,681.00	11,500.00	527,181.00	513,216.66	13,964.34
Undist. Expend. - Improvement of Inst. Serv.						
Salaries of Supervisor of Instruction	000-221-102	168,471.00	-	168,471.00	187,101.96	1,369.04
Salaries of Other Professional Staff	000-221-104	14,350.00	-	14,350.00	13,849.78	500.22
Salaries of Secr and Clerical Assist.	000-221-105	11,879.00	15,000.00	26,879.00	24,275.46	2,603.54
Purchased Prof- Educational Services	000-221-320	20,500.00	310.00	20,810.00	20,800.65	9.35
Other Purchased Services (400-500)	000-221-500	2,500.00	200.00	2,700.00	2,644.32	55.68
Supplies and Materials	000-221-600	250.00	625.00	875.00	782.83	92.17
Total Undist. Expend. - Improvement of Inst. Serv.		217,950.00	16,135.00	234,085.00	229,455.00	4,630.00
Undist. Expend. - Edu. Media Serv./Sch. Library						
Salaries	000-222-100	74,569.00	(5,000.00)	69,569.00	68,494.09	1,074.91
Purchased Professional and Technical Services	000-222-300	8,630.00	-	8,630.00	7,482.10	1,147.90
Supplies and Materials	000-222-600	14,000.00	-	14,000.00	9,882.54	4,117.46
Total Undist. Expend. - Edu. Media Serv./Sch. Library		97,199.00	(5,000.00)	92,199.00	85,858.73	6,340.27
Undist. Expend. - Instructional Staff Training Serv.						
Salaries of Other Professional Staff	000-223-104	9,340.00	-	9,340.00	6,250.00	3,090.00
Purchased Professional - Educational Service	000-223-320	10,000.00	(7,277.00)	2,723.00	2,696.00	27.00
Other Purchased Services (400-500 series)	000-223-500	23,600.00	(2,883.00)	20,717.00	19,470.46	1,246.54
Supplies and Materials	000-223-600	1,500.00	525.00	2,025.00	1,857.00	168.00
Total Undist. Expend. - Instructional Staff Training Serv.		44,440.00	(9,635.00)	34,805.00	30,273.46	4,531.54
Undist. Expend. - Supp. Serv. - General Admin.						
Salaries	000-230-100	302,671.00	-	302,671.00	292,033.06	10,637.94
Legal Services	000-230-331	33,000.00	-	33,000.00	21,302.25	11,697.75
Audit Fees	000-230-332	29,650.00	-	29,650.00	14,650.00	15,000.00
Architectural/Engineering Services	000-230-334	17,250.00	9,500.00	26,750.00	26,750.00	-
Other Purchased Professional Services	000-230-339	11,000.00	10,000.00	21,000.00	19,256.00	1,744.00
Purchased Technical Services	000-230-340	15,800.00	1,600.00	17,400.00	17,366.94	13.06
Communications/Telephone	000-230-530	28,800.00	(16,400.00)	12,200.00	4,599.83	7,600.17
BOE Other Purchased Services	000-230-585	2,000.00	-	2,000.00	1,010.00	990.00
Other Purchased Services (400-500 series)	000-230-590	17,000.00	-	17,000.00	8,974.49	8,025.51
Supplies and Materials	000-230-610	2,000.00	-	2,000.00	1,758.97	241.03
BOE In-House Training/Meeting Supplies	000-230-630	500.00	-	500.00	18.49	481.51
Miscellaneous Expenditures	000-230-890	2,770.00	-	2,770.00	2,001.95	768.05
BOE Membership Dues and Fees	000-230-895	8,000.00	-	8,000.00	7,429.00	571.00
Total Undist. Expend. - Supp. Serv. - General Admin.		470,241.00	4,700.00	474,941.00	417,170.98	57,770.02
Undist. Expend. - Support Serv. - School Admin.						
Salaries of Principals/Assistant Principals	000-240-103	433,626.00	11,100.00	444,726.00	444,722.05	3.95
Salaries of Other Professional Staff	000-240-104	68,149.00	(600.00)	67,549.00	67,281.60	267.40
Salaries of Secretarial and Clerical Assistants	000-240-105	179,092.00	600.00	179,692.00	179,359.50	332.50
Purchased Professional and Technical Services	000-240-300	3,000.00	300.00	3,300.00	3,285.58	14.42
Other Purchased Services (400-500 series)	000-240-500	10,000.00	(1,000.00)	9,000.00	5,246.97	3,753.03
Supplies and Materials	000-240-600	7,000.00	7,100.00	14,100.00	8,144.94	7,955.06
Other Objects	000-240-800	2,200.00	2,800.00	5,000.00	4,838.00	162.00
Total Undist. Expend. - Support Serv. - School Admin.		703,067.00	20,300.00	723,367.00	710,878.64	12,488.36
Undist. Expend. - Central Services						
Salaries	000-251-100	328,428.00	2,002.00	330,430.00	329,404.62	1,025.38
Purchased Professional Services	000-251-330	13,000.00	19,344.00	32,344.00	18,907.54	13,436.46
Miscellaneous Purchased Services (400-500 series)	000-251-592	5,000.00	(500.00)	4,500.00	2,194.95	2,305.05
Supplies and Materials	000-251-600	5,000.00	6,000.00	11,000.00	8,395.97	2,604.03
Total Undist. Expend. - Central Services		351,428.00	26,846.00	378,274.00	358,803.08	19,370.92

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Admin. Info. Technology					
Salaries	000-252-100 \$ 56,429.00	\$ -	\$ 56,429.00	\$ 54,856.32	\$ 1,572.68
Purchased Technical Services	000-252-340 16,700.00	-	16,700.00	12,125.31	4,574.69
Total Undist. Expend. - Admin. Info. Technology	73,129.00	-	73,129.00	66,981.63	6,147.37
Undist. Expend. - Allowable Maint. For School Facilities					
Salaries	000-261-100 89,501.00	(5,000.00)	84,501.00	79,210.51	5,290.49
Cleaning, Repair and Maintenance Services	000-261-420 101,000.00	(10,000.00)	91,000.00	87,964.59	3,035.41
General Supplies	000-261-610 30,000.00	(12,100.00)	17,900.00	13,283.64	4,616.36
Other Objects	000-261-800 2,000.00	(1,000.00)	1,000.00	14.99	985.01
Total Undist. Expend. - Allowable Maint. For School Facilities	222,501.00	(28,100.00)	194,401.00	180,493.73	13,907.27
Undist. Expend. - Oth. Oper. & Maint. of Plant					
Salaries	000-262-100 110,715.00	-	110,715.00	108,017.92	2,697.08
Salaries of Non-Instructional Aides	000-262-107 71,676.00	-	71,676.00	51,401.96	20,274.14
Cleaning, Repair and Maintenance Services	000-262-420 500,000.00	2,890.00	502,890.00	501,950.03	939.97
Other Purchased Property Services	000-262-490 16,500.00	130.00	16,630.00	14,189.29	2,440.71
Insurance	000-262-520 94,944.00	(4,000.00)	90,944.00	89,751.00	1,193.00
Miscellaneous Purchased Services	000-262-590 1,500.00	(20.00)	1,480.00	535.00	945.00
General Supplies	000-262-610 39,000.00	23,600.00	62,600.00	57,623.36	4,976.64
Energy (Natural Gas)	000-262-621 92,704.29	(600.00)	92,104.29	65,707.01	26,397.28
Energy (Electricity)	000-262-622 170,003.67	-	170,003.67	116,996.22	53,007.45
Energy (Gasoline)	000-262-626 500.00	-	500.00	248.45	251.55
Other Objects	000-262-800 1,000.00	-	1,000.00	508.00	492.00
Total Undist. Expend. - Other Oper. & Maint. Of Plant	1,098,542.96	22,000.00	1,120,542.96	1,006,934.14	90,637.60
Undist. Expend. - Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	000-263-420 57,500.00	(15,201.00)	42,299.00	41,640.45	658.55
General Supplies	000-263-610 3,000.00	-	3,000.00	1,785.65	1,214.35
Total Undist. Expend. - Care and Upkeep of Grounds	60,500.00	(15,201.00)	45,299.00	43,426.10	1,872.90
Undist. Expend. - Security					
Purchased Professional and Technical Services	000-266-300 30,000.00	(23,245.00)	6,755.00	5,432.25	1,322.75
General Supplies	000-266-610 2,000.00	1,500.00	3,500.00	3,380.38	119.62
Total Undist. Expend. - Security	32,000.00	(21,745.00)	10,255.00	8,812.63	1,442.37
Undist. Expend. - Student Transportation Serv.					
Salaries for Pupil Trans. (Between Home & School) - Regular	000-270-160 9,383.00	-	9,383.00	8,927.64	455.36
Contracted Services - Aid in Lieu of Payments - Nonpublic	000-270-503 25,000.00	-	25,000.00	17,300.00	7,700.00
Contracted Services (Between Home and School) - Vendors	000-270-511 319,470.00	-	319,470.00	271,242.06	48,227.92
Contracted Services (Other than Between Home and School) - Vendors	000-270-512 26,098.00	(10,000.00)	16,098.00	10,824.30	5,273.70
Contracted Services (Special Education Students) - Joint Agreements	000-270-515 200,000.00	-	200,000.00	158,806.13	41,193.87
Total Undist. Expend. - Student Transportation Serv.	579,951.00	(10,000.00)	569,951.00	467,100.15	102,850.85
UNALLOCATED BENEFITS					
Group Insurance	000-291-210 3,000.00	-	3,000.00	2,968.00	32.00
Social Security Contributions	000-291-220 184,780.47	-	184,780.47	168,674.16	25,106.31
Other Retirement Contributions - PERS	000-291-241 165,000.00	(22,800.00)	132,200.00	132,148.52	51.48
Other Retirement Contributions - DCRP	000-291-249 39,829.29	-	39,829.29	11,240.25	28,589.04
Unemployment Compensation	000-291-250 10,000.00	-	10,000.00	10,000.00	-
Workmen's Compensation	000-291-260 71,000.00	-	71,000.00	69,703.00	1,297.00
Health Benefits	000-291-270 2,810,789.00	(104,000.00)	2,706,789.00	2,476,746.83	230,042.17
Tuition Reimbursement	000-291-280 25,500.00	13,000.00	38,500.00	32,845.30	5,654.70
Other Employee Benefits	000-291-290 2,000.00	-	2,000.00	654.70	1,345.30
Unused Vacation Payment to Terminated/Retired Staff	000-291-299 22,000.00	(2,700.00)	19,300.00	7,440.00	11,860.00
TOTAL UNALLOCATED BENEFITS	3,323,898.76	(116,500.00)	3,207,398.76	2,902,420.76	304,978.00
TPAF Pension (On-Behalf - Non-Budgeted)				1,653,324.00	(1,653,324.00)
TPAF Pension PRM (On-Behalf - Non-Budgeted)				613,353.00	(613,353.00)
TPAF Pension LTDI (On-Behalf - Non-Budgeted)				1,224.00	(1,224.00)
TPAF Social Security (Reimbursed - Non-Budgeted)				602,488.98	(602,488.98)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	2,870,389.98	(1,217,085.98)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	3,323,898.76	(116,500.00)	3,207,398.76	5,772,810.74	(912,087.98)
TOTAL UNDISTRIBUTED EXPENDITURES	10,113,319.52	(240,560.00)	9,872,759.52	11,901,888.89	(398,776.59)
TOTAL GENERAL CURRENT EXPENSE	17,987,273.74	(82,550.00)	17,904,723.74	19,852,403.29	(1,747,679.55)

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 1-5	\$ -	\$ 22,500.00	\$ 22,500.00	\$ -	\$ 22,500.00
Grades 6-8		47,151.00	47,151.00	33,816.71	13,334.29
Undistributed Expenditures:					
Undistributed Expenditures - Central Services		3,154.00	3,154.00	3,154.00	-
Undistributed Expenditures - Required Maintenance		-	10,000.00	5,900.00	4,100.00
Total Equipment	10,000.00	72,805.00	82,805.00	42,870.71	39,934.29
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	21,375.00	8,745.00	31,120.00	24,386.50	6,733.50
Construction Services	246,736.88	14,000.00	260,736.88	257,159.88	3,577.00
Assessment for Debt Service on SDA Funding	28,393.00	-	28,393.00	28,393.00	-
Total Facilities Acquisition and Construction Services	296,504.88	23,745.00	320,249.88	309,939.38	10,310.50
TOTAL CAPITAL OUTLAY	<u>306,504.88</u>	<u>96,550.00</u>	<u>403,054.88</u>	<u>352,810.09</u>	<u>50,244.79</u>
TOTAL EXPENDITURES	<u>18,293,778.62</u>	<u>14,000.00</u>	<u>18,307,778.62</u>	<u>20,005,213.36</u>	<u>(1,697,434.74)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(920,154.62)</u>	<u>(14,000.00)</u>	<u>(934,154.62)</u>	<u>464,645.53</u>	<u>1,398,800.15</u>
Other Financing Sources (Uses):					
Operating Transfer In:					
Interest Earned in Capital Projects Fund				6,798.55	6,798.55
Total Other Financing Sources (Uses)				<u>6,798.55</u>	<u>6,798.55</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(920,154.62)</u>	<u>(14,000.00)</u>	<u>(934,154.62)</u>	<u>471,444.08</u>	<u>1,405,598.70</u>
Fund Balance, July 1	<u>3,214,921.58</u>	<u>-</u>	<u>3,214,921.58</u>	<u>3,214,921.58</u>	<u>-</u>
Fund Balance, June 30	<u>2,294,766.96</u>	<u>(14,000.00)</u>	<u>2,280,766.96</u>	<u>3,686,365.66</u>	<u>1,405,598.70</u>
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Financing Sources (Uses):					
Increase in Capital Reserve	500.00	-	500.00	667,755.10	667,255.10
Withdrawal from Capital Reserve	(250,000.00)	(14,000.00)	(264,000.00)	(264,000.00)	-
Increase in Maintenance Reserve				50,000.00	50,000.00
Adjustment for Prior Year Encumbrances	(124,929.62)	-	(124,929.62)	(124,929.62)	-
Budgeted Fund Balance	(645,729.00)	-	(645,729.00)	142,818.60	688,343.60
Total	<u>(920,154.62)</u>	<u>(14,000.00)</u>	<u>(934,154.62)</u>	<u>471,444.08</u>	<u>1,405,598.70</u>
Analysis of Fund Balance June 30, 2020:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures			\$ -	\$ 400,000.00	\$ 400,000.00
Reserve for Excess Surplus				2,066,934.47	2,066,934.47
Capital Reserve Account				100,000.00	100,000.00
Maintenance Reserve Account					
Assigned Fund Balance:					
Year-end Encumbrances			115,120.72	144,766.00	144,766.00
Designated for Subsequent Year's Expenditures				459,544.47	459,544.47
Unassigned Fund Balance			\$ 3,686,365.66	\$ -	\$ 3,686,365.66
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:					
Fund Balance June 30, 2020			\$ 3,686,365.66	\$ -	\$ 3,686,365.66
Last Two Current Year State Aid Payments Not Realized on GAAP Basis			(70,239.00)		(70,239.00)
			<u>\$ 3,616,126.66</u>		<u>\$ 3,616,126.66</u>

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	298,347.00	100,177.00	398,524.00	388,064.32	10,459.68
Local Sources	-	4,728.61	4,728.61	4,728.61	-
Total Revenues	<u>\$ 298,347.00</u>	<u>\$ 104,905.61</u>	<u>\$ 403,252.61</u>	<u>\$ 392,792.93</u>	<u>\$ 10,459.68</u>
EXPENDITURES:					
Instruction					
Personal Services - Salaries	\$ 111,331.00	\$ (16,532.00)	\$ 94,799.00	\$ 93,679.41	\$ 1,119.59
Other Purchased Services (400-500 series)	154,888.00	60,869.00	215,757.00	215,757.00	-
General Supplies	-	12,768.61	12,768.61	7,579.52	5,189.09
Total Instruction	<u>266,219.00</u>	<u>57,105.61</u>	<u>323,324.61</u>	<u>317,015.93</u>	<u>6,308.68</u>
Support Services					
Personal Services - Employee Benefits		34,990.00	34,990.00	32,671.00	2,319.00
Purchased Professional - Educational Services	32,128.00	3,877.00	36,005.00	36,005.00	-
Other Purchased Services (400-500 series)		8,533.00	8,533.00	7,003.00	1,530.00
Travel	-	400.00	400.00	98.00	302.00
Total Support Services	<u>32,128.00</u>	<u>47,800.00</u>	<u>79,928.00</u>	<u>75,777.00</u>	<u>4,151.00</u>
Total Expenditures	<u>298,347.00</u>	<u>104,905.61</u>	<u>403,252.61</u>	<u>392,792.93</u>	<u>10,459.68</u>
Total Outflows	<u>\$ 298,347.00</u>	<u>\$ 104,905.61</u>	<u>\$ 403,252.61</u>	<u>\$ 392,792.93</u>	<u>\$ 10,459.68</u>

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION –
PART II**

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2020

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

	<u>Exhibit</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1&C-2]	\$ 20,469,858.91	\$ 392,792.93
Difference - budget to GAAP:			
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense in accordance with GASB 33.		(14,464.00)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 20,455,394.91</u>	<u>\$ 392,792.93</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1&C-2]	\$ 20,005,213.38	\$ 392,792.93
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	\$ -		
Net transfers (outflows) to general fund		-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 20,005,213.38</u>	<u>\$ 392,792.93</u>

**REQUIRED SUPPLEMENTARY INFORMATION -
PART III**

Section L

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS
(GASB 68)**

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Schedule of the District's Proportionate Share of the Net Pension Liability- PERS**

	Fiscal Year Ending June 30,				
	2023	2022	2021	2020	2019
District's proportion of the net pension liability				0.0133497763%	0.0147522273%
District's proportionate share of the net pension liability				\$ 2,405,427.00	\$ 2,904,640.00
District's covered employee payroll				\$ 1,038,595.00	\$ 976,498.00
District's proportionate share of the net pension liability as a percentage of its covered employee payroll				232.05%	297.45%
Plan fiduciary net position as a percentage of the total pension liability				56.27%	53.60%

	Fiscal Year Ending June 30,				
	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.0138829819%	0.0173456188%	0.0175276754%	0.0176664905%	0.0191804801%
District's proportionate share of the net pension liability	\$ 3,231,736.00	\$ 5,137,275.00	\$ 3,934,612.00	\$ 3,307,650.00	\$ 3,665,771.00
District's covered employee payroll	\$ 974,430.00	\$ 1,022,676.00	\$ 990,246.00	\$ 1,199,900.00	\$ 1,244,653.00
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	331.65%	502.34%	397.34%	275.66%	294.52%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.14%	47.92%	52.08%	48.72%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during fiscal year ended June 30, 2015.

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Schedule of District Contributions- PERS

	Fiscal Year Ending June 30,				
	2023	2022	2021	2020	2019
Contractually required contribution				\$ 130,381.00	\$ 147,447.00
Contributions in relation to the contractually required contribution				(130,381.00)	(147,447.00)
Contribution deficiency/(excess)				\$ -	\$ -
District's covered employee payroll				\$ 1,038,585.00	\$ 976,498.00
Contributions as a percentage of covered employee payroll				12.58%	15.10%

	Fiscal Year Ending June 30,				
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 130,504.13	\$ 155,021.00	\$ 150,891.00	\$ 145,840.00	\$ 144,521.00
Contributions in relation to the contractually required contribution	(130,504.13)	(155,021.00)	(150,891.00)	(145,840.00)	(144,521.00)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 974,430.00	\$ 1,022,878.00	\$ 890,248.00	\$ 1,189,900.00	\$ 1,244,853.00
Contributions as a percentage of covered employee payroll	13.39%	15.18%	15.22%	12.14%	11.61%

Note: This schedule does not contain ten years of information as GASB No. 88 was implemented during fiscal year ended June 30, 2015.

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Schedule of the District's Proportionate Share of the Net Pension Liability- TPAF**

	Fiscal Year Ending June 30,				
	2023	2022	2021	2020	2019
District's proportion of the State's net pension liability				0.0719121723%	0.0678346699%
District's proportionate share of the State's net pension liability				\$ 44,133,179.00	\$ 43,154,960.00
District's covered employee payroll				\$ 8,572,396.00	\$ 8,153,601.00
District's proportionate share of the net pension liability as a percentage of its covered employee payroll				514.83%	529.27%
Plan fiduciary net position as a percentage of the total pension liability				28.95%	26.49%

	Fiscal Year Ending June 30,				
	2018	2017	2016	2015	2014
District's proportion of the State's net pension liability	0.0717746416%	0.0692681898%	0.0717339520%	0.0737889285%	0.0717339520%
District's proportionate share of the State's net pension liability	\$ 48,393,051.00	\$ 54,490,768.00	\$ 45,338,921.00	\$ 39,437,780.72	\$ 45,338,921.00
District's covered employee payroll	\$ 7,936,105.00	\$ 7,620,556.00	\$ 7,172,150.00	\$ 7,479,112.00	\$ 7,172,150.00
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	609.78%	715.05%	632.15%	527.31%	632.15%
Plan fiduciary net position as a percentage of the total pension liability	25.41%	22.33%	28.71%	33.64%	28.71%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during fiscal year ended June 30, 2015.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2020

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

A. Benefit Changes

There were none.

B. Changes of Assumptions

The discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019 in accordance with Paragraph 44 of GASB Statement No. 67.

TEACHERS' PENSION AND ANNUITY FUND

A. Benefit Changes

There were none.

B. Changes of Assumptions

The discount rate changed from 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019 in accordance with Paragraph 44 of GASB Statement No. 67.

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**
Schedule of Changes in the Total OPEB Liability and Related Ratios

	Fiscal Year Ending June 30,				
	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ -	\$ -	\$ 1,182,305.00	\$ 1,425,799.00	\$ -
Interest			1,246,989.00	1,078,305.00	
Changes of benefit terms				-	
Differences between expected and actual experience			(2,248,698.00)	-	
Changes of assumptions or other inputs			(3,442,354.00)	(4,497,685.00)	
Member contributions			27,723.00	29,027.00	
Gross benefit payments	-	-	(802,120.00)	(788,290.00)	-
Net change in total OPEB liability	-	-	(4,036,155.00)	(2,752,844.00)	-
Total OPEB liability - beginning	-	29,997,423.00	34,033,578.00	36,786,422.00	-
Total OPEB liability - ending	\$ -	\$ -	\$ 29,997,423.00	\$ 34,033,578.00	\$ 36,786,422.00
Covered - employee payroll	\$ -	\$ 9,608,991.00	\$ 9,130,099.00	\$ 8,910,535.00	\$ 8,643,232.00
Total OPEB liability as a percentage of covered - employee payroll			328.56%	381.95%	425.61%

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

BOARD OF EDUCATION
BOROUGH OF MONTVALE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2020

LOCAL EDUCATION

A. Benefit Changes

There were none.

B. Changes of Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018 in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

Section D
SCHOOL LEVEL SCHEDULES

Section E
SPECIAL REVENUE FUND

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2020**

		<u>Total</u>	<u>State Aid</u>	<u>Federal Aid</u>		<u>Local Aid</u>
REVENUES						
State Sources	\$	-	\$	-	\$	-
Federal Sources		388,064.32		388,064.32		
Local Sources		<u>4,728.61</u>	<u>-</u>	<u>-</u>		<u>4,728.61</u>
Total Revenues	\$	<u>392,792.93</u>	\$	<u>-</u>	\$	<u>388,064.32</u>
					\$	<u>4,728.61</u>
EXPENDITURES:						
Instruction:						
Personal Services - Salaries	100-100	\$ 93,679.41	\$ -	\$ 93,679.41	\$	-
Other Purchased Services (400-500 series)	100-500	215,757.00	-	215,757.00		-
General Supplies	100-610	<u>7,579.52</u>	-	<u>2,850.91</u>		<u>4,728.61</u>
Total Instruction		<u>317,015.93</u>	-	<u>312,287.32</u>		<u>4,728.61</u>
Support Services:						
Personal Services - Employee Benefits	200-200	32,671.00	-	32,671.00		-
Purchased Professional - Educational Services	200-320	36,005.00	-	36,005.00		-
Other Purchased Services (400-500 series)	200-500	7,003.00	-	7,003.00		-
Travel	200-580	<u>98.00</u>	-	<u>98.00</u>		-
Total Support Services		<u>75,777.00</u>	-	<u>75,777.00</u>		-
Total Expenditures		\$ <u>392,792.93</u>	\$ -	\$ <u>388,064.32</u>		\$ <u>4,728.61</u>

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Special Revenue Fund**
**Combining Schedule of Federal Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2020**

		Total	E.S.E.A.			I.D.E.A. Part B	
			Title I	Title II	Title III	Basic	Preschool
REVENUES							
Federal Sources		\$ 388,084.32	\$ 126,493.71	\$ 36,005.00	\$ 2,805.61	\$ 215,757.00	\$ 7,003.00
Total Federal Revenues		\$ 388,084.32	\$ 126,493.71	\$ 36,005.00	\$ 2,805.61	\$ 215,757.00	\$ 7,003.00
EXPENDITURES:							
Instruction:							
Personal Services - Salaries	100-100	\$ 93,679.41	\$ 92,848.86	\$ -	\$ 830.55	\$ -	\$ -
Other Purchased Services (400-500 series)	100-500	215,757.00	-	-	-	215,757.00	-
General Supplies	100-810	2,850.91	1,039.85	-	1,811.06	-	-
Total Instruction		312,287.32	93,888.71		2,641.61	215,757.00	
Support Services:							
Personal Services - Employee Benefits	200-200	32,671.00	32,605.00	-	66.00	-	-
Purchased Professional - Educational Services	200-320	36,005.00	-	36,005.00	-	-	-
Other Purchased Services (400-500 series)	200-500	7,003.00	-	-	-	-	7,003.00
Travel	200-580	98.00	-	-	98.00	-	-
Total Support Services		75,777.00	32,605.00	36,005.00	164.00	-	7,003.00
Total Expenditures		\$ 388,084.32	\$ 126,493.71	\$ 36,005.00	\$ 2,805.61	\$ 215,757.00	\$ 7,003.00

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Special Revenue Fund
 Combining Schedule of Local Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2020

	<u>Total</u>	<u>MAL Donations</u>	<u>BCUA Grant</u>
REVENUES			
Local Sources	\$ 4,728.61	\$ 3,763.61	\$ 965.00
Total Local Revenues	<u>4,728.61</u>	<u>3,763.61</u>	<u>965.00</u>
 EXPENDITURES:			
Instruction:			
General Supplies	100-810 4,728.61	3,763.61	965.00
Total Instruction	<u>4,728.61</u>	<u>3,763.61</u>	<u>965.00</u>
 Total Expenditures	<u>\$ 4,728.61</u>	<u>\$ 3,763.61</u>	<u>\$ 965.00</u>

Section F
CAPITAL PROJECTS FUND

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Year Ended June 30, 2020**

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations 6/30/20</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Improvements to Fieldstone Middle School	4/19/05	2,688,371.00	2,372,122.72	30,002.00	286,246.28
Improvements to Memorial Elementary School	4/19/05	807,795.00	808,911.12	-	883.88
Fieldstone Middle School Sidewalks	3/14/11	37,028.23	37,028.23	-	-
Fieldstone Middle School Roof	8/20/14	414,875.00	414,875.00	-	-
Fieldstone Middle School Renovations	6/23/14	<u>793,821.00</u>	<u>783,800.88</u>	<u>-</u>	<u>10,220.32</u>
Totals		<u>\$ 4,741,890.23</u>	<u>\$ 4,414,537.75</u>	<u>\$ 30,002.00</u>	<u>\$ 297,350.48</u>

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2020**

REVENUES AND OTHER FINANCING SOURCES

State Sources - SDA Grant	\$	-
Bond Proceeds		-
Contribution from private sources		-
Transfer from capital reserve		-
Transfer from capital outlay		-
Total Revenues		<u>-</u>

EXPENDITURES AND OTHER FINANCING USES

Equipment (73X)		-
Salaries (100)		-
Legal Services (331)		-
Other Purchased Professional and Technical Services (390)		-
Construction Services (450)		-
General Supplies (610)		-
Land and Improvements (710)		-
Lease Purchase Agreements - Principal (721)		-
Buildings other than Lease Purchase Agreements - Principal (722)		-
Other Objects (800)		-
Transfer to Fund 40		<u>30,002.00</u>
Total Expenditures		<u>30,002.00</u>

Excess (deficiency) of revenues over (under) expenditures		(30,002.00)
Fund Balance - July 1		<u>327,352.48</u>
Fund Balance - June 30		<u>\$ 297,350.48</u>

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Improvements to Fieldstone Middle School
From Inception and for the Year Ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	\$ 829,248.00	\$ -	\$ 829,248.00	\$ 829,248.00
Bond Proceeds	1,859,123.00		1,859,123.00	1,859,763.00
Contribution from private sources			-	
Transfer from capital reserve	-		-	
Transfer from capital outlay	-		-	
Total Revenues	<u>2,688,371.00</u>	<u>-</u>	<u>2,688,371.00</u>	<u>2,689,011.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)	32,424.09		32,424.09	396,125.00
Salaries (100)	-		-	
Legal Services (331)	-		-	
Other Purchased Professional and Technical Services (390)	231,346.84		231,346.84	299,313.00
Construction Services (450)	1,885,259.54		1,885,259.54	1,993,573.00
General Supplies (610)	-		-	
Land and Improvements (710)	-		-	
Lease Purchase Agreements - Principal (721)	-		-	
Buildings other than Lease Purchase Agreements - Principal (722)	-		-	
Other Objects (800)	-		-	
Transfer to Fund 40	223,092.25	30,002.00	253,094.25	-
Total Expenditures	<u>2,372,122.72</u>	<u>30,002.00</u>	<u>2,402,124.72</u>	<u>2,689,011.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>316,248.28</u>	<u>(30,002.00)</u>	<u>286,246.28</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP3330-020-04-1000			
Grant Date	4/19/05			
Bond Authorization Date	4/19/05			
Bonds Authorized	\$ 1,859,763.00			
Bonds Issued	\$ 1,859,123.00			
Original Authorized Cost	\$ 3,132,938.00			
Additional Authorized Cost (SDA Grant canceled)	\$ (443,927.00)			
Revised Authorized Cost	\$ 2,689,011.00			
Percentage Increase over Original Authorized Cost	-14.17%			
Percentage Completed	89.33%			
Original Target Completion Date	9/1/06			
Revised Target Completion Date	9/1/06			

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Improvements to Memorial Elementary School
From Inception and for the Year Ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	\$ 295,918.00	\$ -	\$ 295,918.00	\$ 295,918.00
Bond Proceeds	511,877.00		511,877.00	511,877.00
Contribution from private sources			-	
Transfer from capital reserve	-		-	
Transfer from capital outlay	-		-	
Total Revenues	<u>807,795.00</u>	<u>-</u>	<u>807,795.00</u>	<u>807,795.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)	11,886.13		11,886.13	88,650.00
Salaries (100)	-		-	
Legal Services (331)	-		-	
Other Purchased Professional and Technical Services (390)	74,044.77		74,044.77	78,145.00
Construction Services (450)	720,980.22		720,980.22	641,000.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-		-	
Total Expenditures	<u>806,911.12</u>	<u>-</u>	<u>806,911.12</u>	<u>807,795.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>883.88</u>	<u>-</u>	<u>883.88</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP3330-030-04-1000			
Grant Date	4/19/05			
Bond Authorization Date	4/19/05			
Bonds Authorized	\$ 511,877.00			
Bonds Issued	\$ 511,877.00			
Original Authorized Cost	\$ 807,795.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 807,795.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	99.89%			
Original Target Completion Date	9/1/06			
Revised Target Completion Date	9/1/06			

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Fieldstone Middle School Sidewalks
From Inception and for the Year Ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ 14,811.29	\$ -	\$ 14,811.29	\$ 33,298.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve	21,128.17		21,128.17	21,128.17
Transfer from capital outlay	1,088.77	-	1,088.77	1,088.77
Total Revenues	<u>37,028.23</u>	<u>-</u>	<u>37,028.23</u>	<u>55,514.94</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	7,043.23		7,043.23	7,043.23
Construction Services (450)	29,985.00		29,985.00	48,471.71
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>37,028.23</u>	<u>-</u>	<u>37,028.23</u>	<u>55,514.94</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	3330-020-10-G0LG			
Grant Date	3/14/11			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 56,603.94			
Additional Authorized Cost	\$ (1,089.00)			
Revised Authorized Cost	\$ 55,514.94			
Percentage Increase over Original Authorized Cost	-1.92%			
Percentage Completed	66.70%			
Original Target Completion Date	12/31/10			
Revised Target Completion Date	12/31/10			

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Fieldstone Middle School Roof
From Inception and for the Year Ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ 155,070.00	\$ -	\$ 155,070.00	\$ 155,070.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve			-	
Transfer from capital outlay	<u>259,805.00</u>	<u>-</u>	<u>259,805.00</u>	<u>259,805.00</u>
Total Revenues	<u>414,875.00</u>	<u>-</u>	<u>414,875.00</u>	<u>414,875.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	29,875.00		29,875.00	29,875.00
Construction Services (450)	385,000.00		385,000.00	385,000.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>414,875.00</u>	<u>-</u>	<u>414,875.00</u>	<u>414,875.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	3330-020-14-G1FC			
Grant Date	8/20/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 414,875.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 414,875.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	100.00%			
Original Target Completion Date	12/31/14			
Revised Target Completion Date	12/31/14			

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Fieldstone Middle School Renovations
From Inception and for the Year Ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ -	\$ -	\$ -	\$ -
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve			-	
Transfer from capital outlay	793,821.00	-	793,821.00	793,821.00
Total Revenues	<u>793,821.00</u>	<u>-</u>	<u>793,821.00</u>	<u>793,821.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)			-	
Construction Services (450)	783,600.68		783,600.68	793,821.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>783,600.68</u>	<u>-</u>	<u>783,600.68</u>	<u>793,821.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,220.32</u>	<u>-</u>	<u>10,220.32</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 704,000.00			
Additional Authorized Cost	\$ 89,821.00			
Revised Authorized Cost	\$ 793,821.00			
Percentage Increase over Original Authorized Cost	12.76%			
Percentage Completed	98.71%			
Original Target Completion Date	9/1/15			
Revised Target Completion Date	9/1/15			

Section G
PROPRIETARY FUNDS

ENTERPRISE FUND

INTERNAL SERVICE FUND

Section H
FIDUCIARY FUND

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2020**

<u>Schools</u>	<u>Balance June 30, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2020</u>
Elementary School and Middle School	\$ 86,630.89	\$ 65,570.34	\$ 73,903.53	\$ 78,297.70
	<u>\$ 86,630.89</u>	<u>\$ 65,570.34</u>	<u>\$ 73,903.53</u>	<u>\$ 78,297.70</u>

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2020**

	<u>Balance</u> <u>June 30, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
Payroll Deductions and Withholdings	\$ 24,485.70	\$ 5,219,479.54	\$ 5,241,315.96	\$ 2,649.28
Net Salaries and Wages	1,021.84	6,549,572.39	6,550,499.45	94.78
School #2 Escrow	50,640.00			50,640.00
Interfund Accounts Payable (SUI)	<u>39,754.67</u>	<u>33,391.96</u>	<u>16,711.92</u>	<u>56,434.71</u>
	<u>\$ 115,902.21</u>	<u>\$ 11,802,443.89</u>	<u>\$ 11,808,527.33</u>	<u>\$ 109,818.77</u>

Section I
LONG - TERM DEBT

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Long - Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2020**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities of Bonds Outstanding June 30, 2020</u>		<u>Interest Rate</u>	<u>Balance June 30, 2019</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>				
Additions and Renovations to Schools	5/15/01	\$ 5,983,000.00	5/15/21	\$ 393,000.00	4.875%	\$ 783,000.00	\$ 390,000.00	\$ 393,000.00
Additions and Renovations to Schools	11/15/06	2,371,000.00	11/15/20	140,000.00	4.000%	1,166,000.00	135,000.00	1,031,000.00
			11/15/21	145,000.00	4.000%			
			11/15/22-24	150,000.00	4.000%			
			11/15/25	150,000.00	4.050%			
			11/15/26	146,000.00	4.050%			
					-	-	-	
						<u>\$ 1,949,000.00</u>	<u>\$ 525,000.00</u>	<u>\$ 1,424,000.00</u>

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 577,257.00	\$ -	\$ 577,257.00	\$ 577,257.00	\$ -
Total Revenues	<u>577,257.00</u>	-	<u>577,257.00</u>	<u>577,257.00</u>	-
EXPENDITURES:					
Regular Debt Service:					
Interest	82,259.00	-	82,259.00	82,259.26	(0.26)
Redemption of Principal	525,000.00	-	525,000.00	525,000.00	-
Total Regular Debt Service	<u>607,259.00</u>	-	<u>607,259.00</u>	<u>607,259.26</u>	<u>(0.26)</u>
Total Expenditures	<u>607,259.00</u>	-	<u>607,259.00</u>	<u>607,259.26</u>	<u>(0.26)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,002.00)	-	(30,002.00)	(30,002.26)	(0.26)
Other Financing Sources:					
Operating Transfers In:					
Unexpended Balance Transferred from Capital Projects Fund	<u>30,000.00</u>		<u>30,000.00</u>	<u>30,002.00</u>	<u>2.00</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(2.00)	-	(2.00)	(0.26)	1.74
Fund Balance, July 1	<u>1.40</u>	-	<u>1.40</u>	<u>1.40</u>	-
Fund Balance, June 30	<u>\$ (0.60)</u>	<u>\$ -</u>	<u>\$ (0.60)</u>	<u>\$ 1.14</u>	<u>\$ 1.74</u>
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ (2.00)</u>	<u>\$ -</u>	<u>\$ (2.00)</u>	<u>\$ (0.26)</u>	<u>\$ 1.74</u>

STATISTICAL SECTION (UNAUDITED)

GASB requires that ten years of statistical data be presented. Pursuant to State of New Jersey Department of Education requirements issued for the fiscal year ended June 30, 1994, only two years statistical data needed to be presented. Additional year's data will be included each year thereafter until ten years of data is presented.

STATISTICAL SECTION (Unaudited)

Financial Trends

J-1	Net Position by Component
J-2	Changes in Net Position
J-3	Fund Balances - Governmental Funds
J-4	Changes in Fund Balances - Governmental Funds
J-5	General Fund - Other Local Revenue by Source

Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property
J-7	Direct and Overlapping Property Tax Rates
J-8	Principal Property Taxpayers
J-9	Property Tax Levies and Collections

Debt Capacity

J-10	Ratios of Outstanding Debt by Type
J-11	Ratios of Net General Bonded Debt Outstanding
J-12	Direct and Overlapping Governmental Activities Debt as of June 30
J-13	Legal Debt Margin Information

Demographic and Economic Information

J-14	Demographic and Economic Statistics
J-15	Principal Employers

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program
J-17	Operating Statistics
J-18	School Building Information
J-19	Schedule of Required Maintenance for School Facilities
J-20	Insurance Schedule

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**

**Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited**

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities										
Net investment in capital assets	\$ 8,178,385.20	\$ 7,648,148.71	\$ 7,134,290.05	\$ 6,759,036.91	\$ 7,971,025.99	\$ 7,178,847.20	\$ 6,300,814.72	\$ 5,723,288.25	\$ 5,308,608.77	\$ 5,207,720.40
Restricted	3,371,838.46	2,941,885.16	2,688,599.33	2,387,052.41	2,384,791.69	2,136,971.61	2,082,766.85	1,240,205.96	1,414,892.06	1,099,328.20
Unrestricted	(3,077,165.76)	(3,342,208.25)	(3,587,411.52)	(3,656,776.80)	(3,457,996.86)	(3,379,358.84)	305,916.79	284,067.83	252,623.86	531,851.82
Total governmental activities net position	\$ 8,473,057.90	\$ 7,247,825.62	\$ 6,235,477.66	\$ 7,489,312.52	\$ 6,897,820.62	\$ 5,936,459.97	\$ 8,689,498.36	\$ 7,247,562.04	\$ 6,976,124.69	\$ 6,838,900.42
Business-type activities										
Net investment in capital assets	\$ 14,683.66	\$ 10,007.23	\$ 3,825.51	\$ 4,303.69	\$ 5,334.55	\$ 6,365.41	\$ 1,658.07	\$ 2,313.66	\$ 3,545.67	\$ 4,777.68
Restricted										
Unrestricted	221,716.23	246,548.41	211,414.27	192,720.80	155,877.68	157,526.84	148,640.90	84,728.61	10,269.14	3,168.58
Total business-type activities net position	\$ 236,399.89	\$ 256,555.64	\$ 215,239.78	\$ 197,024.49	\$ 161,212.23	\$ 163,892.25	\$ 148,298.97	\$ 87,042.47	\$ 13,814.81	\$ 7,946.26
District-wide										
Net investment in capital assets	\$ 8,193,068.86	\$ 7,658,155.94	\$ 7,138,115.56	\$ 8,763,340.60	\$ 7,976,360.54	\$ 7,185,212.61	\$ 6,302,472.79	\$ 5,725,601.91	\$ 5,312,154.44	\$ 5,212,498.08
Restricted	3,371,838.46	2,941,885.16	2,688,599.33	2,387,052.41	2,384,791.69	2,136,971.61	2,082,766.85	1,240,205.96	1,414,892.06	1,099,328.20
Unrestricted	(2,855,449.53)	(3,095,659.84)	(3,375,997.25)	(3,464,056.00)	(3,302,119.18)	(3,221,832.00)	452,557.69	368,796.64	262,893.00	535,020.40
Total district net position	\$ 8,709,457.79	\$ 7,504,381.26	\$ 6,450,717.64	\$ 7,686,337.01	\$ 7,059,033.05	\$ 6,100,352.22	\$ 8,837,797.33	\$ 7,334,604.51	\$ 6,989,939.50	\$ 6,846,846.68

Source: District records

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities										
Instruction										
Regulary	\$ 9,698,002.18	\$ 10,862,606.51	\$ 10,664,325.12	\$ 8,446,915.87	\$ 8,165,031.23	\$ 7,654,063.35	\$ 7,795,021.62	\$ 7,804,004.62	\$ 7,526,169.40	\$ 7,167,820.01
Special education	2,761,024.06	2,377,267.70	2,107,391.28	1,374,558.56	1,340,348.47	1,368,520.58	1,313,863.62	1,293,566.51	1,294,536.18	1,218,318.34
Other instruction	995,047.13	1,096,364.83	942,061.50	736,760.47	705,540.74	749,963.75	687,992.58	665,506.98	822,146.65	546,056.06
Support Services:										
Tuition	887,915.07	875,784.25	641,829.47	615,711.38	591,177.41	605,544.54	647,843.23	568,993.58	568,630.84	541,220.33
Student and instruction related services	3,042,320.83	3,356,070.14	3,299,853.56	2,474,223.64	2,207,521.67	2,309,957.72	2,308,638.08	2,361,079.58	2,184,079.27	2,064,817.23
School administrative services	1,197,267.71	1,275,784.28	1,223,964.71	902,376.64	847,116.67	988,005.52	904,229.92	978,945.32	880,298.41	860,624.75
General and business administrative services	1,343,012.24	1,448,187.79	1,421,068.75	1,050,741.42	987,913.64	968,211.71	979,626.13	920,060.16	945,241.52	875,492.50
Plant operations and maintenance	1,419,357.93	1,480,395.67	1,506,278.18	1,498,495.32	1,363,352.91	1,348,860.12	1,303,116.89	1,279,130.52	1,254,008.56	1,342,863.61
Pupil transportation	473,310.06	554,167.87	512,278.78	488,468.97	446,781.45	414,043.45	460,189.72	460,017.20	435,242.01	508,901.02
SDA Debt Service Assessment	26,393.00	26,393.00	26,393.00	26,393.00	26,393.00	26,393.00	26,393.00	26,393.00	26,393.00	32,950.00
Interest on long-term debt	79,207.70	103,118.64	126,342.07	148,878.01	170,651.45	191,612.28	211,524.89	230,709.28	248,802.75	266,217.38
Total governmental activities expenses	21,825,757.91	23,567,760.78	22,493,951.47	17,736,535.38	16,953,828.64	16,855,208.11	16,681,047.68	16,625,832.03	16,082,842.62	15,443,501.22
Business-type activities:										
Milk Program	6,283.97	11,533.21	9,661.62	16,600.78	16,373.68	16,531.88	20,786.84	20,114.41	19,963.03	26,642.73
Extended School Year Program	21,862.65	16,624.88	17,864.83	20,808.48	21,481.11	21,852.73	21,084.63	33,660.79	29,085.54	
Child Care	310,224.18	365,537.29	378,617.40	378,408.91	395,765.36	385,940.78	320,644.35	307,333.70		
Safety/Conn			3,820.00	3,120.00	2,600.00	2,665.00	2,340.00	1,820.00		
Total business-type activities expense	338,371.00	423,695.38	408,063.85	415,938.17	428,088.15	426,000.40	365,055.62	363,228.90	50,978.57	2,150.00
Total district-wide expenses	22,264,128.91	23,991,456.17	22,901,915.42	18,151,463.55	17,381,916.79	17,281,208.51	17,046,103.30	16,989,160.93	16,113,821.19	15,472,293.95
Program Revenues										
Governmental activities:										
Charges for services:										
Pupil transportation	54,935.50	43,252.00	47,494.75	38,174.00	38,053.75	38,089.37	41,843.78	40,164.10	40,878.05	34,095.13
Interest on long-term debt	79,207.70	103,118.64	128,342.07	148,878.01	170,651.45	191,612.28	211,524.89	230,709.26	248,802.75	266,217.38
Operating grants - contributions	5,915,415.93	7,639,873.47	7,418,393.58	2,234,077.84	2,149,262.04	2,021,638.57	2,242,304.57	2,387,704.18	1,943,517.20	1,561,004.23
Total governmental activities program revenues	6,050,559.13	7,782,244.11	7,592,230.40	2,421,069.85	2,359,067.24	2,251,340.33	2,495,673.22	2,666,637.54	2,232,198.00	1,861,367.74

BOARD OF EDUCATION
BOROUGH OF MORTVALE
Changes in Net Assets
Last Ten Fiscal Years
(Actual/ Basis of accounting)
Unaudited

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Business-type activities:										
Charges for services:										
Milk Program	6,022.12	6,362.41	7,214.40	8,887.30	7,005.80	8,778.70	7,016.82	7,768.88	8,056.20	\$
Extended School Year Program	20,585.00	16,675.00	15,095.00	21,085.00	18,300.00	24,650.00	21,403.00	35,370.00	33,295.00	10,272.80
Child Care	288,044.55	436,303.00	363,297.78	410,915.79	388,737.56	366,561.14	385,067.76	380,567.48		
Saleytown			3,020.00	3,120.00	2,800.00	2,665.00	2,360.00	1,820.00	1,950.00	2,150.00
Operating grants and contributions	3,563.58	5,570.84	8,752.08	7,642.34	8,564.77	11,811.04	10,378.89	10,867.40	14,064.12	14,064.12
Total business-type activities program revenues	318,215.25	465,011.25	439,278.24	451,750.43	455,408.13	444,566.68	428,258.47	436,381.85	50,808.52	26,486.92
Total district-wide program revenues	6,368,774.38	8,251,256.36	8,018,489.64	8,043,970.83	2,848,488.08	2,800,823.12	2,877,588.80	2,832,067.07	2,715,444.08	2,256,684.02
Net (Expense)/Revenue	(15,875,194.78)	(15,781,518.67)	(14,901,831.07)	(14,901,831.07)	(15,314,435.43)	(14,587,771.40)	(14,603,865.78)	(14,185,372.46)	(13,967,294.49)	(13,630,644.62)
Governmental activities:										
Business-type activities	(20,155.75)	41,316.98	18,215.29	43,688.48	9,489.98	18,477.73	(2,743.82)	71,336.03	(308,422.38)	(24,491.65)
Total district-wide net expense	(15,895,354.53)	(15,740,201.69)	(14,883,615.78)	(14,858,142.59)	(15,304,945.45)	(14,569,293.67)	(14,606,609.60)	(14,114,036.43)	(14,275,716.87)	(13,655,136.27)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	16,378,134.00	16,037,255.00	15,495,446.00	15,191,614.00	14,893,610.00	14,620,294.00	14,314,134.00	13,731,199.00	13,461,468.00	13,197,682.00
Property taxes, levied for debt service principal	498,649.30	482,985.36	467,679.93	452,793.99	432,682.55	417,198.61	402,170.11	387,375.74	362,231.25	336,796.82
Federal and State aid not restricted	13,891.37	19,847.78	(355,054.93)	47,973.86	37,095.73	37,880.65	16,365.04	16,632.91	26,909.00	111,958.00
Tuition (other than special schools)	44,372.40	68,822.00	51,482.82	57,722.88	61,594.23	57,280.64	65,935.00	58,054.00	46,145.37	15,825.00
Investment earnings	58,878.29	78,234.52	30,853.77	17,816.30	9,834.17	3,127.68	2,874.30	2,170.54	4,418.86	12,317.27
Miscellaneous income	98,437.30	108,537.78	115,928.69	138,004.10	124,314.57	107,437.58	825,740.33	65,299.65	66,698.41	35,243.53
Donated Capital Assets			(18,468.71)			156,076.00				56,048.40
Total governmental activities	17,087,473.26	16,783,864.43	13,647,768.41	15,905,927.13	15,568,132.25	15,372,077.37	15,627,268.78	14,238,731.84	13,967,868.88	13,771,288.62
Business-type activities:										
Investment earnings						27.79	55.85	64.71	40.60	93.09
Total business-type activities						27.79	55.85	64.71	40.60	93.09
Total district-wide general revenues	17,087,473.26	16,783,864.43	13,647,768.41	15,905,927.13	15,568,132.25	15,372,105.16	15,627,324.63	14,238,796.55	13,967,909.48	13,771,381.71
Change in Net Position										
Governmental activities	1,212,274.48	1,012,347.78	(1,253,854.68)	1,004,296.06	244,694.82	774,305.97	1,023,443.00	53,359.38	574.40	(56,375.80)
Business-type activities	(20,155.75)	41,316.98	18,215.29	43,688.48	9,489.98	16,505.52	(2,688.08)	71,490.74	(308,422.38)	(24,398.56)
Total district-wide change in net position	\$ 1,192,118.73	\$ 1,053,664.76	\$ (1,235,639.39)	\$ 1,047,984.54	\$ 254,184.80	\$ 790,811.49	\$ 1,020,754.92	\$ 124,850.12	\$ (307,847.98)	\$ (80,774.36)

Sources: District records

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Fund Balances - Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30.									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Restricted	\$ 2,966,934.47	\$ 2,513,179.37	\$ 2,293,240.84	\$ 1,852,195.16	\$ 1,730,356.87	\$ 1,133,823.51	\$ 852,874.62	\$ 699,755.26	\$ 740,571.61	\$ 485,657.19
Assigned	259,886.72	257,696.82	17,042.75	239,249.81	327,217.24	188,302.90	275,565.83	275,880.59	388,874.45	407,871.62
Unassigned	389,305.47	375,312.59	443,974.43	316,048.30	302,458.95	336,195.63	376,761.73	334,635.00	285,928.58	448,815.1
Reserved										
Unreserved										
Total general fund	\$ 3,616,126.66	\$ 3,146,188.78	\$ 2,754,258.02	\$ 2,407,493.27	\$ 2,360,033.06	\$ 1,658,322.04	\$ 1,505,202.18	\$ 1,310,270.85	\$ 1,415,374.64	\$ 1,342,343.91
All Other Governmental Funds										
Restricted, reported in:										
Capital projects fund	\$ 297,350.48	\$ 327,352.48	\$ 357,352.48	\$ 397,845.36	\$ 427,845.36	\$ 456,878.17	\$ 1,190,877.87	\$ 514,892.87	\$ 549,084.67	\$ 600,214.97
Debt service fund	1.14	1.40	1.66	1.42	1.18	1.44	401.70	690.96	289.93	
Assigned, reported in:										
Capital projects fund			34,547.13	43,629.98	43,629.96	504,907.57				
Reserved									17,170.00	12,672.80
Unreserved, reported in:										
Special revenue fund										
Capital projects fund										
Debt service fund										
Permanent fund										
Total all other governmental funds	\$ 297,351.62	\$ 327,353.88	\$ 391,901.27	\$ 441,476.74	\$ 471,476.50	\$ 961,787.18	\$ 1,191,279.57	\$ 515,583.83	\$ 566,544.60	\$ 612,887.77
Total Fund Balances	\$ 3,913,478.28	\$ 3,473,542.66	\$ 3,146,159.29	\$ 2,848,970.01	\$ 2,831,509.56	\$ 2,620,109.22	\$ 2,696,481.75	\$ 1,825,854.68	\$ 1,981,919.24	\$ 1,955,231.68

Source: District records

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Changes in Fund Balances - Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Tax levy	\$ 16,855,391.00	\$ 16,623,439.00	\$ 16,089,688.00	\$ 15,793,286.00	\$ 15,486,944.00	\$ 15,209,083.00	\$ 14,927,629.00	\$ 14,349,284.00	\$ 14,072,502.00	\$ 13,802,718.00
Tuition charges	44,372.40	68,822.00	51,482.82	57,722.88	81,593.23	57,280.64	65,935.00	36,054.00	46,145.37	15,625.00
Transportation fees	54,935.50	43,252.00	47,494.75	38,174.00	36,053.75	38,089.37	41,843.78	40,194.10	40,878.05	34,095.13
Interest earnings	56,878.29	78,236.52	39,683.77	17,818.30	8,836.17	3,127.68	2,974.30	2,170.54	4,418.66	12,317.27
Miscellaneous	96,437.00	108,537.79	161,826.89	158,975.65	124,953.77	101,437.59	825,740.33	65,299.65	70,089.09	54,628.53
State sources	3,836,163.98	3,556,520.75	2,978,737.44	1,899,458.77	1,855,049.29	1,851,153.30	2,049,720.61	2,182,394.93	1,712,967.86	1,335,345.41
Federal sources	388,064.32	334,007.48	348,104.21	361,581.48	330,758.28	208,166.12	208,941.00	241,972.16	253,065.66	308,629.82
Total revenues	21,432,243.39	20,810,815.54	19,715,117.88	18,327,017.08	17,915,188.49	17,468,347.70	18,122,984.00	16,897,369.38	16,200,068.69	15,563,357.16
Expenditures										
Instruction										
Regular instruction	5,772,688.82	5,823,082.65	5,721,065.87	5,788,668.24	5,731,155.84	5,514,269.81	5,348,312.11	5,343,582.76	5,251,403.69	5,124,932.35
Special education instruction	1,707,638.86	1,305,695.35	1,245,155.51	971,920.60	973,868.71	988,686.27	927,104.70	914,286.23	942,331.30	885,372.84
Other instruction	587,202.65	569,883.13	502,057.97	513,366.81	504,587.15	535,080.93	484,946.81	487,711.55	439,768.26	393,071.44
Support Services:										
Tuition	887,915.07	875,784.25	641,829.47	815,711.38	581,177.41	835,544.54	647,843.23	568,993.58	568,830.84	541,220.33
Student and instruction related services	2,023,568.00	2,014,107.07	2,008,572.56	1,912,710.20	1,736,723.03	1,787,221.50	1,782,335.98	1,839,029.47	1,664,311.70	1,631,146.17
School administrative services	710,878.64	668,557.45	654,313.85	631,658.41	685,127.81	681,070.56	651,185.25	683,431.84	626,154.43	616,964.58
General and business administrative services	843,055.99	800,542.65	821,369.66	757,448.47	714,890.87	710,058.02	714,533.47	674,137.93	701,788.86	658,067.91
Plant operations and maintenance	1,239,668.60	1,269,430.04	1,290,973.06	1,345,393.41	1,235,906.74	1,126,690.79	1,068,054.15	1,039,699.46	1,079,434.21	1,111,536.77
Pupil transportation	467,100.15	548,204.18	505,248.70	484,442.44	444,582.15	411,570.17	457,932.52	457,824.54	433,281.89	505,848.80
Employee benefits	5,805,481.74	5,652,546.80	5,028,727.98	3,914,290.34	3,683,364.94	3,612,348.59	3,981,658.78	4,001,750.13	3,733,148.72	3,305,589.89
Capital outlay	352,810.09	341,514.28	355,906.50	782,278.77	769,270.64	857,931.78	554,464.69	396,902.19	82,113.43	208,564.39
Debt service:										
Principal	525,000.00	510,000.00	495,000.00	480,000.00	460,000.00	445,000.00	430,000.00	415,000.00	390,000.00	380,000.00
Interest and other charges	82,259.26	106,084.28	129,221.78	151,671.76	173,334.28	184,209.26	213,984.26	233,084.28	251,034.00	268,408.28
Total expenditures	21,005,265.57	20,483,432.17	19,399,441.89	18,309,568.63	17,783,789.15	17,699,790.23	17,252,356.93	17,053,433.94	16,173,379.33	15,626,724.43
Excess (Deficiency) of revenues over (under) expenditures	426,977.82	327,383.37	315,675.99	17,460.45	211,400.34	(231,442.53)	870,627.07	(158,064.56)	26,687.58	(63,367.27)

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Changes in Fund Balances - Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30.									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Other Financing sources (uses)										
Proceeds from borrowing										
N.J. Economic Development Authority grants			(18,486.71)			155,070.00				59,648.40
Transfers in	36,800.55	35,878.49	49,314.25	37,489.04	33,123.80	356,630.36	758,560.15	30,400.29	30,289.93	124,230.78
Transfers out	(36,800.55)	(35,878.49)	(49,314.25)	(37,489.04)	(33,123.80)	(356,630.36)	(758,560.15)	(30,400.29)	(30,289.93)	(124,230.78)
Total other financing sources (uses)	-	-	(18,486.71)	-	-	155,070.00	-	-	-	59,648.40
Net change in fund balances	\$ 426,977.82	\$ 327,383.37	\$ 297,189.28	\$ 315,675.99	\$ 17,460.45	\$ 366,470.34	\$ (231,442.53)	\$ 870,627.07	\$ (156,064.58)	\$ 86,335.96
Debt service as a percentage of noncapital expenditures	2.94%	3.06%	3.28%	3.60%	3.74%	3.80%	3.86%	3.89%	3.99%	4.20%

Source: District records

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**

**General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited**

<u>Fiscal Year Ended June 30,</u>	<u>Total</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Interest</u>	<u>Miscellaneous</u>
2011	\$ 95,992.70	\$ 15,625.00	\$ 34,095.13	\$ 11,029.04	\$ 35,243.53
2012	157,848.76	46,145.37	40,878.05	4,128.93	66,696.41
2013	143,318.00	36,054.00	40,194.10	1,770.25	65,299.65
2014	888,489.90	65,935.00	41,843.76	2,274.15	778,436.99
2015	199,935.28	57,280.64	38,089.37	3,127.68	101,437.59
2016	321,797.72	61,593.23	36,053.75	9,836.17	214,314.57
2017	251,719.28	57,722.88	38,174.00	17,818.30	138,004.10
2018	258,835.73	51,492.82	47,494.75	39,693.77	120,154.39
2019	295,858.31	68,822.00	43,252.00	76,236.52	107,547.79
2020	247,895.08	44,372.00	54,935.50	56,878.29	91,709.29

Source: District records

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2011	\$ 42,391,100	\$ 1,711,031,500	\$ 2,283,600	\$ 587,825,400	\$ 11,339,100	\$ 18,753,000	\$ 2,373,423,700	\$ 2,961,081	\$ 2,376,384,781	\$ 2,300,568,569	0.587
2012	30,625,900	1,727,073,100	2,283,600	582,231,700	11,339,100	18,753,000	2,372,306,400	2,939,324	2,375,245,724	2,358,413,899	0.599
2013	21,928,800	1,374,516,300	1,971,500	581,097,200	11,044,100	17,653,000	2,008,210,900	2,735,012	2,010,945,912	2,177,618,311	0.729
2014	25,314,100	1,375,114,800	1,939,100	576,034,600	11,044,100	17,653,000	2,007,099,700	2,166,301	2,009,266,001	2,272,470,680	0.750
2015	20,081,500	1,393,517,686	1,971,500	609,601,400	11,044,100	17,653,000	2,053,869,186	2,292,819	2,056,162,005	2,261,833,469	0.747
2016	40,981,600	1,400,530,900	1,957,100	562,631,600	11,044,100	17,653,000	2,034,798,300	2,467,175	2,037,265,475	2,174,371,180	0.778
2017	36,933,900	1,429,043,800	1,957,100	548,778,970	11,044,100	17,653,000	2,045,410,870	2,242,777	2,047,653,647	2,299,520,242	0.772
2018	18,230,600	1,461,402,600	1,947,600	547,446,970	10,892,500	17,653,000	2,057,573,270	2,188,152	2,059,761,422	2,321,042,653	0.847
2019	30,535,900	1,469,209,600	1,947,600	511,254,470	10,892,500	17,653,000	2,041,493,070	2,188,152	2,043,681,222	2,269,548,489	0.873
2020	45,226,600	1,484,625,100	1,947,600	483,682,270	10,892,500	17,653,000	2,044,027,070	2,156,516	2,046,183,586	2,387,880,079	0.843

(1) Revaluation effective

Source: Municipal Tax Assessor

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)
Unaudited**

Fiscal Year Ended December 31,	School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Municipality	Regional School	County	
2011	0.560	0.027	0.587	0.448	0.444	0.202	1.681
2012	0.572	0.027	0.599	0.457	0.460	0.210	1.726
2013	0.697	0.032	0.729	0.560	0.561	0.247	2.097
2014	0.718	0.032	0.750	0.577	0.590	0.264	2.181
2015	0.716	0.031	0.747	0.580	0.609	0.265	2.201
2016	0.747	0.031	0.778	0.590	0.630	0.262	2.260
2017	0.741	0.031	0.772	0.604	0.656	0.271	2.303
2018	0.817	0.030	0.847	0.559	0.663	0.265	2.334
2019	0.843	0.030	0.873	0.557	0.676	0.257	2.363
2020	0.843	0.030	0.843	0.554	0.701	0.278	2.376

(1) Revaluation effective

Source: Municipal Tax Collector

**BOARD OF EDUCATION
Borough of Montvale**

**Principal Property Taxpayers
Current Year and Nine Years Ago
Unaudited**

Fiscal Year Ended June 30,	2020		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
KPMG Peat Marwick	\$ 47,550,000	2.31%	\$ -	
Terraza 18, LLC	38,015,900	1.85%		
Montvale Dev. Group C/O Hekemian	36,993,600	1.80%		
Grand Prix Montvale	20,900,000	1.02%		
Nottingham Court LLC	17,653,000	0.86%		
SHG Montvale MB LLC NJ	17,000,000	0.83%		
Benjamin Moore & Co.	16,000,000	0.78%		
155 Montvale Partners, LLC C/o Gold	14,059,500	0.68%		
ND XXX LLC	11,900,000	0.58%		
Western Union Financial Services Inc.	12,500,000	0.61%		
Total	\$ 232,572,000	11.31%	Not Available	0.00%

Source: Municipal Tax Assessor

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**

**Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 38,677,808	\$ 38,111,936	98.53%	\$ 289,677	\$ 38,401,613	99.28%
2011	40,227,047	39,638,195	98.53%	247,685	39,885,880	99.15%
2012	41,257,864	40,557,327	98.30%	587,019	41,144,346	99.72%
2013	42,207,847	41,812,770	99.06%	364,103	42,176,873	99.92%
2014	44,886,245	44,616,258	99.39%	247,461	44,863,719	99.94%
2015	45,649,731	45,255,293	99.13%	227,497	45,482,790	99.63%
2016	47,142,888	46,325,189	98.26%	251,304	46,576,493	98.79%
2017	47,695,925	47,444,621	99.47%	241,187	47,685,808	99.97%
2018	48,310,658	48,069,471	99.50%	239,398	48,308,869	99.99%
2019	48,479,680	48,046,233	99.10%		48,046,233	99.10%

Source: Municipal Tax Collector

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2011	\$ 5,574,000	\$ -	\$ -	\$ -	\$ -	\$ 5,574,000	1.29%	706	
2012	5,184,000					5,184,000	1.23%	651	
2013	4,769,000					4,769,000	1.18%	595	
2014	4,339,000					4,339,000	1.09%	533	
2015	3,894,000					3,894,000	0.97%	461	
2016	3,434,000					3,434,000	0.77%	404	
2017	2,954,000					2,954,000	0.62%	339	
2018	2,459,000					2,459,000	0.50%	286	
2019	1,949,000					1,949,000	0.38%	227	
2020	1,424,000					1,424,000	0.27%	166	

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**

**Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 5,574,000	\$ -	\$ 5,574,000	0.23%	706
2012	5,184,000		5,184,000	0.22%	651
2013	4,769,000		4,769,000	0.24%	595
2014	4,339,000		4,339,000	0.22%	533
2015	3,894,000		3,894,000	0.19%	461
2016	3,434,000		3,434,000	0.17%	404
2017	2,954,000		2,954,000	0.14%	339

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**

**Direct and Overlapping Governmental Activities Debt
As of December 31,2019
Unaudited**

Net Direct Debt of School District As of December 31,2019	\$ 1,814,640.00
Net Overlapping Debt of School District:	
Borough of Montvale (100%)	11,861,770.00
Regional School District	4,386,307.94
County of Bergen - Borough's share of \$855,378,427.00 at December 31, 2019 (1.260%)	10,776,506.00
Bergen County Utilities Authority (Water Pollution) - Borough's share of \$132,517,773 at December 31, 2019 (1.224%)	<u>1,622,017.54</u>
Total Direct and Overlapping Bonded Debt As of December 31,2019	<u>\$ 30,461,241.48</u>

Source: Borough of Montvale Chief Financial Officer, Bergen County Treasurer's Office and Bergen County Utilities Authority.

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**

**Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited**

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized valuation basis	
2017	2,289,313,568
2018	2,277,588,300
2019	2,375,762,912
	<u>\$ 6,942,664,780</u>
Average equalized valuation of taxable property	<u>\$ 2,314,221,593</u>
Debt limit (3 % of average equalization value)	69,426,648
Total Net Debt Applicable to Limit	1,424,000
Legal debt margin	<u>\$ 68,002,648</u>

	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 66,483,583	\$ 66,708,536	\$ 67,598,470	\$ 68,529,352	\$ 69,426,648
Total net debt applicable to limit	<u>3,434,000</u>	<u>2,954,000</u>	<u>2,459,000</u>	<u>1,949,000</u>	<u>1,424,000</u>
Legal debt margin	<u>\$ 63,049,583</u>	<u>\$ 63,754,536</u>	<u>\$ 65,139,470</u>	<u>\$ 66,580,352</u>	<u>\$ 68,002,648</u>
Total net debt applicable to the limit as a percentage of debt limit	5.17%	4.43%	3.64%	2.84%	2.05%

	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 66,951,174	\$ 67,564,102	\$ 68,572,890	\$ 68,501,499	\$ 67,803,375
Total net debt applicable to limit	<u>5,574,000</u>	<u>5,184,000</u>	<u>4,769,000</u>	<u>4,339,000</u>	<u>3,894,000</u>
Legal debt margin	<u>\$ 61,377,174</u>	<u>\$ 62,380,102</u>	<u>\$ 63,803,890</u>	<u>\$ 64,162,499</u>	<u>\$ 63,909,375</u>
Total net debt applicable to the limit as a percentage of debt limit	8.33%	7.67%	6.95%	6.33%	5.74%

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

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**

**Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited**

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2011	7,896	\$ 430,440,491	54,514	6.2%
2012	7,959	419,885,004	52,756	6.0%
2013	8,020	403,855,120	50,356	5.7%
2014	8,148	399,789,768	49,066	4.7%
2015	8,442	399,618,954	47,337	3.9%
2016	8,506	445,170,016	52,336 (Est)	4.0%
2017	8,724	478,415,436	54,839 (Est)	3.7%
2018	8,600	491,756,600	57,181 (Est)	3.1%
2019	8,570 (Est)	513,291,580	59,894 (Est)	2.5%
2020	8,570 (Est)	523,557,412	61,092 (Est)	

Sources:

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

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

Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

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

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**

**Principal Employers
Current Year and Nine Years Ago
Unaudited**

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
		Not Available			Not Available	
	<u>0</u>		<u>0.00%</u>	<u>0</u>		<u>0.00%</u>

Source: _____

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**

**Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited**

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction										
Regular	71.2	70	69	68	68.5	69	66.5	72.3	73.0	71.0
Special education	31	32	33	33.2	33.7	33.7	40.5	42	44	48.5
Other instruction	12.2	12.2	12.7	12.7	12.7	12.5	7	4.5	4	4
Support Services:										
Student and instruction related services	7.57	7.57	7.57	7.57	8.14	8.14	8	7	7	8
School administrative services	8.38	8.38	8.88	8.88	8.88	8.88	8	8	8	8
General and business administrative services	3.98	3.98	3.98	3.98	3.98	3.98	4.5	4.5	4.5	4.5
Central Services	2	2	2	2	2	2	3.5	3.5	3.5	3.5
Administrative information technology	0.5	0.5	0.5	0.5	0.5	0.5	2	2	2	2
Plant operations and maintenance	12.5	12.5	11.7	11.7	11.7	11.7	4	3	3	3
Total	149.33	149.13	149.33	148.53	150.1	150.4	144	146.75	149	152.5

Source: District Personnel Records

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2011	1,096.0	\$ 14,771,751	\$ 13,478	-1.90%	97	1:12.0	1:10.5	1093.0	1,049.8	-0.27%	96.05%	
2012	1,076.0	15,440,232	14,350	6.47%	96	1:11.9	1:10.5	1089.0	1,056.2	-0.37%	96.99%	
2013	1,075.0	16,008,447	14,892	3.78%	95	1:11.4	1:11.2	1077.1	1,040.4	-1.09%	96.59%	
2014	1,043.0	16,053,908	15,392	3.36%	94	1:11.4	1:10.8	1078.0	1,041.2	0.08%	96.59%	
2015	1,056.0	16,202,649	15,343	-0.32%	95	1:11.2	1:10.0	1050.9	1,015.6	-2.51%	96.64%	
2016	1,001.7	16,301,184	16,274	6.06%	95	1:9.8	1:11.2	1001.7	967.7	-4.68%	96.60%	
2017	993.0	16,915,606	17,035	4.68%	95	1:11.2	1:9.7	996.7	959.5	-0.50%	96.27%	
2018	990.0	18,419,315	18,605	9.22%	94	1:11.5	1:9.7	996.7	956.1	0.00%	95.93%	
2019	962.0	19,525,834	20,297	9.09%	97	1:10.3	1:9.5	969.4	932.3	-2.74%	96.18%	
2020	984.0	20,045,196	20,371	0.36%	98	1:10.5	1:9.7	986.9	958.6	1.81%	97.13%	

Source: District records

Note: Enrollment based on annual October district count.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

School Building Information
Last Ten Fiscal Years
Unaudited

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
District Building										
Elementary										
Memorial Elementary (1954, 1962, 1983, 2000)										
Square Feet	85098	85098	85098	85098	85098	85098	85098	85098	85098	85098
Capacity (students)	584	584	584	584	584	584	584	584	584	584
Enrollment	599	594	548	552	559	530	528	541	520	518
Middle School										
Fieldstone Middle School (1966)										
Square Feet	89640	89640	89640	89640	89640	89640	89640	89640	89640	89640
Capacity (students)	475	475	475	475	475	475	475	475	475	475
Enrollment ^a	494	482	509	491	497	474	467	454	449	469
Number of Schools at June 30, 2020										
Elementary = 1										
Middle School = 1										
Senior High School = 0										
Other = 0										

Source: District Facilities Office

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

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**

**General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years
Unaudited**

Undistributed Expenditures--Required
Maintenance for School Facilities
11-000-261-xxx

*School Facility	Pending Projects (w/DOE Project #)	Gross Building Area (SF)	Ten Year Total	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Memorial Elementary School	SP3330-030-04-1000 SP3330-030-09-1002	85,098	\$ 1,033,883	\$ 100,267	\$ 113,585	\$ 137,804	\$ 108,937	\$ 88,853	\$ 99,957	\$ 78,016	\$ 104,517	\$ 109,268	\$ 92,649
Fieldstone Middle School	SP3330-020-04-1000 SP3330-020-09-1001 SP3330-020-10-1001	89,640	1,037,275	80,227	124,557	112,022	133,856	100,464	118,311	91,573	81,682	95,122	89,462
Total School Facilities		\$ 174,738	\$ 2,071,137	\$ 180,494	\$ 238,152	\$ 249,826	\$ 242,793	\$ 189,317	\$ 218,267	\$ 169,589	\$ 166,199	\$ 204,390	\$ 192,110

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

Source: District records

**BOARD OF EDUCATION
BOROUGH OF MONTVALE**

**Insurance Schedule
As of June 30, 2020
Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund:		
Property - Blanket Buildings & Contents	\$ 42,312,862	\$ 2,500
Flood	10,000,000	2,500
Environmental	1,000,000	10,000
Boiler and Machinery	100,000,000	2,500
Comprehensive General Liability	5,000,000	
Auto Liability	5,000,000	1,000
School Leaders Liability	5,000,000	5,000
Public Employees Dishonesty	500,000	1,000
Earthquake	25,000,000	2,500
Cyber Liability	2,000,000	10,000
 Flood- Per Occurrence/Per Member	 25,000	
 Money & Securities		
Loss Inside	50,000	
Loss Outside	50,000	
 Hartford Fire Insurance Co.:		
Public Official Bonds:		
Business Administrator	225,000	

Source: District's records.

Single Audit Section

T. M. Vrabel & Associates, LLC
Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

K-1
Sheet 1

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Montvale School District
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Borough of Montvale School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Borough of Montvale School District's basic financial statements, and have issued our report thereon dated August 13, 2020.

Internal Control Over Financial Reporting

Management of the Borough of Montvale School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Montvale School District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstance 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 Borough of Montvale School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Montvale School District's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

350 Main Road, Suite 104
Montville, NJ 07045
973-953-7769, Fax 973-625-8733
Email: tmvrabel@vc@optonline.net

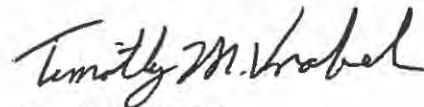
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given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

Compliance and Other Matters

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

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 Borough of Montvale School 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 Borough of Montvale School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Timothy M. Vrabel
Public School Accountant
License No. CS000698



Chris C. W. Hwang
Certified Public Accountant
License No. CC033704

Montville, New Jersey
August 13, 2020

T. M. Vrabel & Associates, LLC
Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

K-2
Sheet 1

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; REPORT ON SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY TITLE 2 U.S. CODE OF FEDERAL REGULATIONS (CFR) PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS AND NEW JERSEY OMB CIRCULAR LETTER 15-08

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Montvale School District
County of Bergen, New Jersey

Report on Compliance for Each Major State Program

We have audited the Borough of Montvale School District's compliance with the types of compliance requirements described in U.S Office of Management and Budget (OMB) Compliance Supplement and the New Jersey Compliance Manual State Grants Compliance Supplement that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020. Borough of Montvale School District's major state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Borough of Montvale School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; in compliance with the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and New Jersey Office of Management and Budget Circular Letter 15-08 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those

350 Main Road, Suite 104
Montville, NJ 07045
973-953-7769, Fax: 973-625-8733
Email: tmvrabel@optonline.net

standards, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB's Circular Letter 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Borough of Montvale School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Borough of Montvale School District's compliance with those requirements.

Opinion on Each Major State Program

In our opinion, the Borough of Montvale School District of Bergen County, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct material effect on each of its major state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

The management of Borough of Montvale School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Borough of Montvale School District's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Montvale School District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Montvale School District's internal control over compliance.

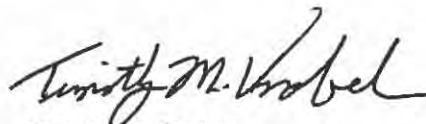
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of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

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

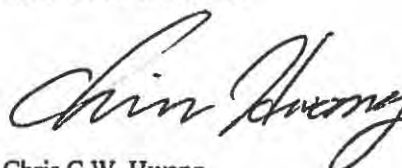
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of Federal Awards and State Financial Assistance Required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB Circular 15-08

We have audited the financial statements of the Borough of Montvale School District as of and for the year ended June 30, 2020, and have issued our report thereon dated August 13, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB Circular 15-08 and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Expenditure of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the financial statements as a whole.



Timothy M. Vrabel
Public School Accountant
License No. CS000698



Chris C.W. Hwang
Certified Public Accountant
License No. CC033704

Montville, New Jersey
August 13, 2020

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2020

Federal CFDA or Grant Number	Federal Grant Program Title	Federal FAIN Number	Grant Period	Award Amount	Balance July 1, 2019	Adjustments	Cash Received	Disbursements	RUDJETARY EXPENDITURES Accounts Payable	Encumbrances	Total	Repayment of Prior Years' Balances	Accounts Receivable	Balance June 30, 2020 Deferred Revenue	Due to Grantor	
10.556	Special Milk Program	201NJ004N1099	7/1/19-6/30/20	\$ 3,563.58	\$ -	\$ -	\$ 3,563.58	\$ 3,563.58	\$ -	\$ -	\$ 3,563.58	\$ -	\$ -	\$ -	\$ -	
10.558	Special Milk Program	191NJ004N1099	7/1/18-6/30/19	5,570.84	(476.16)	-	476.16	-	-	-	3,563.58	-	-	-	-	
	Total U.S. Department of Agriculture						4,039.74				3,563.58					
	U.S. Department of Agriculture Passed - Through State Department of Education:															
84.010	E.S.E.A. Title I	5010A190030	7/1/18-6/30/19	134,133.00	(79,180.27)	-	66,561.00	93,738.71	32,755.00	-	126,493.71	-	(59,832.71)	-	-	
84.367A	E.S.E.A. Title II A	5367A190029	7/1/18-6/30/19	135,068.00	(17,031.00)	-	79,180.27	36,005.00	-	-	30,005.00	-	(2,084.00)	-	-	
84.367B	E.S.E.A. Title II B	5367B190029	7/1/18-6/30/19	40,159.00	(1,283.67)	-	17,031.00	2,201.63	603.98	-	2,805.61	-	(700.61)	-	-	
84.365	E.S.E.A. Title III-Immigrant	5365A190030	7/1/18-6/30/19	4,096.00	(15,479.80)	-	2,025.00	216,757.00	-	-	215,757.00	-	(13,705.00)	-	-	
84.365	E.S.E.A. Title III-Immigrant	5365A190030	7/1/18-6/30/19	6,981.00	(2,750.00)	-	1,283.67	7,003.00	-	-	7,003.00	-	-	-	-	
84.027	I.D.E.A. Part B, Basic	H027A190100	7/1/18-6/30/20	215,757.00	(115,724.74)	-	202,052.00	354,705.34	33,358.98	-	308,054.32	-	(76,502.32)	-	-	
84.027	I.D.E.A. Part B, Basic	H027A190100	7/1/18-6/30/19	186,686.00	(115,724.74)	-	15,479.80	358,268.48	33,358.98	-	391,627.46	-	(76,502.32)	-	-	
84.173	I.D.E.A. Part B, Preschool	H173A190114	7/1/18-6/30/19	7,003.00	(2,750.00)	-	2,750.00	7,003.00	-	-	7,003.00	-	-	-	-	
84.173	I.D.E.A. Part B, Preschool	H173A190114	7/1/18-6/30/19	6,924.00	(2,750.00)	-	427,286.74	358,268.48	33,358.98	-	391,627.46	-	(76,502.32)	-	-	
	Total U.S. Department of Education (Fund 20)						427,286.74	358,268.48	33,358.98		391,627.46		(76,502.32)			
	Total Federal Financial Assistance				\$ (116,200.50)	\$ -	\$ 431,326.48	\$ 358,268.48	\$ 33,358.98	\$ -	\$ 391,627.46	\$ -	\$ (76,502.32)	\$ -	\$ -	

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

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2020

State Department/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2018	Adjustments	Cash Received	BUDGETARY EXPENDITURES		Repayment of Prior Year Balances	Accounts Receivable	Due to Grantor	Budgetary Receivable	Memo Cumulative Total Expenditures
							Disbursements	Encumbrances					
General Funds:													
Categorical Transportation Aid	20-495-034-5120-014	7/1/18-6/30/20	\$ 192,645.00	\$ -	\$ 893.00 (1)	\$ 173,426.74	\$ 192,645.00	\$ -	\$ -	\$ -	\$ -	\$ (19,229.26)	\$ 192,645.00
Categorical Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	192,645.00	(16,138.17)		18,138.17							
Categorical Special Education Aid	20-495-034-5120-068	7/1/18-6/30/20	527,248.00	(38,087.14)		477,081.97	527,248.00					(50,154.03)	527,248.00
Categorical Special Education Aid	19-495-034-5120-068	7/1/18-6/30/19	454,655.00			38,087.14							
Categorical Security Aid	20-495-034-5120-064	7/1/18-6/30/20	18,499.00	(1,549.89)		18,739.28	19,499.00					(1,759.71)	18,499.00
Categorical Security Aid	19-495-034-5120-064	7/1/18-6/30/19	18,499.00			1,549.89							
Extraneous Aid	19-495-034-5120-044	7/1/18-6/30/19	241,848.00			212,725.00	241,848.00		(241,848.00)				241,848.00
Non-Public Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	6,390.00	(6,390.00)		6,390.00							
Reimbursed TPAF Social Security Contribution	20-495-034-5095-003	7/1/18-6/30/20	602,488.98			602,488.98	602,488.98						602,488.98
Reimbursed TPAF Social Security Contribution	19-495-034-5095-003	7/1/18-6/30/19	581,824.75	(77,984.18)		27,984.18							
On-Behalf TPAF Pension Contributions	20-495-034-5095-002	7/1/18-6/30/20	1,653,324.00			1,653,324.00	1,653,324.00						1,653,324.00
On-Behalf TPAF PRM Contributions	20-495-034-5095-001	7/1/18-6/30/20	813,353.00			813,353.00	813,353.00						813,353.00
On-Behalf TPAF LTI Contributions	20-495-034-5095-004	7/1/18-6/30/20	1,224.00			1,224.00	1,224.00						1,224.00
Total General Funds				<u>(302,864.15)</u>	<u>693.00</u>	<u>3,840,512.16</u>	<u>3,850,827.98</u>		<u>(241,848.00)</u>			<u>(19,229.00)</u>	<u>3,850,827.98</u>
Special Revenue Funds:													
New Jersey Nonpublic Aid	19-100-034-5120-066	7/1/18-6/30/18		893.00	(893.00) (1)								
Manicapped Services				893.00	(893.00)								
Corrective Speech													
Total Special Revenue Funds													
Total All Funds				<u>\$ (301,971.15)</u>	<u>\$ -</u>	<u>\$ 3,840,512.16</u>	<u>\$ 3,850,827.98</u>		<u>\$ (241,848.00)</u>			<u>\$ (19,229.00)</u>	<u>\$ 3,850,827.98</u>

Deduct:
On-Behalf TPAF Pension Contributions 1,653,324.00
On-Behalf TPAF PRM Contributions 813,353.00
On-Behalf TPAF LTI Contributions 1,224.00

Total State Expenditures Subject to Major Program Determination \$ 1,527,728.98

(1) Cancelled and reallocated

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

BOARD OF EDUCATION
BOROUGH OF MONTVALE
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2020

Note 1: General

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state programs of the Borough of Montvale School District Board of Education. The Board of Education is defined in Note I:B. to the Board's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes I:E and Note I:F. to the Board's basic financial statements. The information in the schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Board has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3: Relationship to Basic Financial Statements

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

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

BOARD OF EDUCATION
BOROUGH OF MONTVALE
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2020
(CONCLUDED)

Note 3: Relationship to Basic Financial Statements (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(14,464.00) for the general fund and \$-0- for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 3,836,163.98	\$ 3,836,163.98
Special Revenue Fund	388,064.32		388,064.32
Food Service Fund	<u>3,563.58</u>	<u>-</u>	<u>3,563.58</u>
Total Awards and Financial Assistance	<u>\$ 391,627.90</u>	<u>\$ 3,836,163.98</u>	<u>\$ 4,227,791.88</u>

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amounts reported as On-Behalf TPAF Contributions represents the amount paid by the state on behalf of the district for post-retirement medical benefits and the normal and accrued liability pension costs for the year ended June 30, 2020. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

BOARD OF EDUCATION
BOROUGH OF MONTVALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Part I – Summary of Auditor’s Results

Financial Statement Section

- A) Type of auditor’s report issued: Unmodified
- B) Internal Control over financial reporting:
- 1) Material weakness(es) identified? yes X no
 - 2) Were significant deficiencies identified that were not considered to be material weaknesses? yes X none reported
- C) Noncompliance material to basic financial statements noted? yes X no

Federal Awards Section

Not Applicable

BOARD OF EDUCATION
BOROUGH OF MONTVALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Part I – Summary of Auditor’s Results (Continued)

State Financial Assistance Section

- F) Dollar threshold used to determine Type A Programs \$ 750,000.00
- K) Auditee qualified as low-risk auditee? X yes no
- L) Type of auditor’s report on compliance for major programs. Unmodified
- M) Internal Control over compliance:
- 1) Material weakness(es) identified? yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? yes X none reported
- N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? yes X no
- O) Identification of major programs:
- | <u>GMIS Number(s)</u> | <u>Name of State Program</u> |
|-----------------------|------------------------------|
| 20-495-034-5120-089 | Categorical Special Ed. Aid |
| 20-495-034-5120-084 | Categorical Security Aid |
| 20-495-034-5095-003 | Reimbursed T.P.A.F. Social |
| | Security Contribution |

BOARD OF EDUCATION
BOROUGH OF MONTVALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020
(CONTINUED)

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of Government Auditing Standards.

Not Applicable

**BOARD OF EDUCATION
BOROUGH OF MONTVALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020
(CONTINUED)**

Part 3 – Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB's Circular 15-08.

Not Applicable

BOARD OF EDUCATION
BOROUGH OF MONTVALE
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB's Circular 15-08.

Not Applicable