

***MONTVALE BOARD OF EDUCATION***

***ANNUAL COMPREHENSIVE  
FINANCIAL REPORT***

***FISCAL YEAR ENDED JUNE 30, 2021***

***MONTVALE BOARD OF EDUCATION***

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

***Annual Comprehensive Financial Report  
For The Fiscal Year Ended June 30, 2021***

***ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
OF THE  
MONTVALE BOARD OF EDUCATION  
MONTVALE, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021***

***Prepared by***

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

***And***

***Barre & Company LLC, CPAs***

**STATE BOARD OF EDUCATION**

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**Angelica Allen-McMillan, Ed.D, Acting Commissioner  
Secretary, State Board of Education**

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***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

December 5, 2021

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, 2021 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, 2021, 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 2020-21 fiscal year with an average enrollment of 929.02 students, a decrease of 58 students as compared to the previous year's average daily 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>
2020-2021	929.02	-5.84%
2019-2020	986.68	+1.79%
2018-2019	969.35	-3.03%
2017-2018	999.68	+0.30%
2016-2017	996.71	-0.50%

**2] ECONOMIC CONDITION AND OUTLOOK:** The Borough of Montvale enjoys very high ratables, 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 2021-22 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 recent years includes partial roof replacements, paving improvements, as well as 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 2 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, 2021.

**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 made interest payments each May and November, and one principal payment each May. This debt matured in May of 2021. 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.

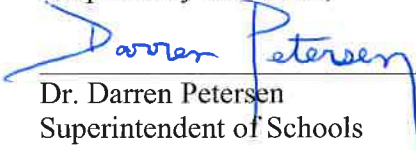
10) **OTHER INFORMATION:**


**Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Accounting Firm Barre & Company, 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:**

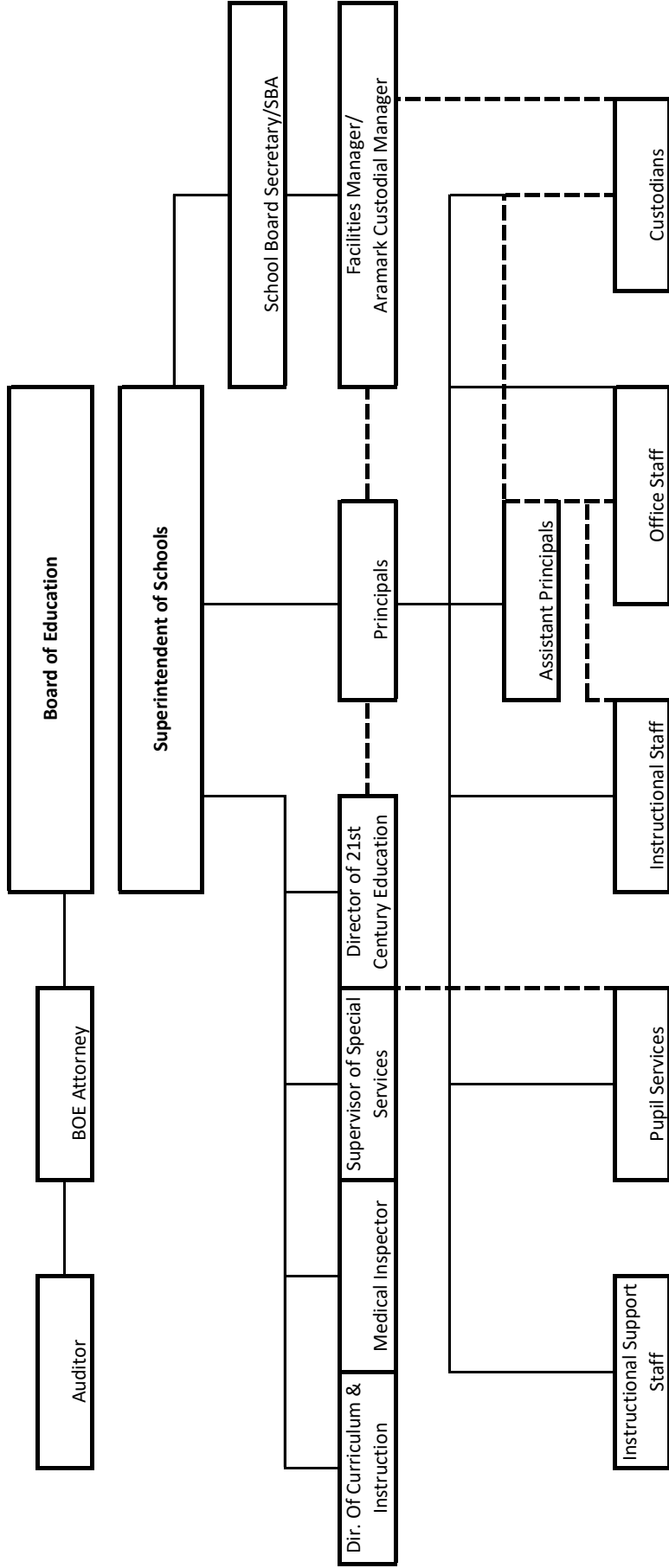
We would like to express our appreciation to the members of the Montvale Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation 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 BOARD OF EDUCATION  
MONTVALE, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2021**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
Ernie DiFiore, (President)	2021
Anita Bagdat, (Vice President)	2022
Amaka Auer	2023
Rachel Baskin	2023
John Carvelli	2023
Chris Cola	2021
Alisha Foley	2022

**OTHER OFFICIALS**

Dr. Daren Peterson, Superintendent of Schools

Mrs. Andrea Wasserman, School Business Administrator/Board Secretary

Stephen R. Fogarty (Fogarty & Hara, Esqs.), Solicitors



**MONTVALE BOARD OF EDUCATION  
MONTVALE, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

FKA Architects  
306 Ramapo Valley Road  
Oakland, NJ 07436

**AUDIT FIRM**

Barre & Company LLC  
Certified Public Accountants  
2204 Morris Avenue, Suite 206  
Union, New Jersey 07083

**ATTORNEY**

Fogarty & Hara  
21-00 Route 208 South  
Fairlawn, New Jersey 07410

**OFFICIAL DEPOSITORY**

Capital One Bank  
710 Route 46 East  
Fairfield, New Jersey

***FINANCIAL SECTION***

**BARRE & COMPANY LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**  
*2204 Morris Avenue, Suite 206*  
*Union, New Jersey 07083*  
*908-686-3484*  
*FAX – 908-686-6055*  
*www.cpa-bc.com ♦ info@cpa-bc.com*

**Independent Auditor's Report**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montvale Board of Education (School District), in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

The School District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, and State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 the 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 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 of the Montvale Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2021, and the respective changes in the financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

#### *Adoption of New Accounting Principle*

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

#### *Consistency of Financial Statements*

Because of the implementation of GASB Statement No. 84, several funds of the School District that were reported as fiduciary fund types in the prior fiscal year are now reported in governmental activities and governmental fund types. Our opinion is not modified with respect to this matter.

#### *Prior Period Restatement*

In addition, because of the implementation of GASB Statement No. 84, net position and fund balance as of July 1, 2020 on the statement of activities and statement of revenues, expenditures, and changes in fund balances, have been restated, as discussed in Note 1 to the financial statements. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed in the table of contents, 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 response 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 School District’s basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively; are also presented for purposes of additional analysis and are not a required part of the basic financial statements.


The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records use to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures 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* and the Office of School Finance, Department of Education, State of New Jersey**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2022 on our consideration of the Montvale Board of Education’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District’s internal control over financial reporting and compliance.

  
BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountant

  
Richard M. Barre, CPA  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
March 15, 2022

***REQUIRED SUPPLEMENTARY INFORMATION – PART I***

**MONTVALE BOARD OF EDUCATION  
MONTVALE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED**

The Management's Discussion and Analysis (MD&A) of Montvale Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance. Certain comparative information between the current year (2020-2021) and the prior year (2019-2020) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2021 are as follows:

- ❖ The assets and deferred outflow of resources of the Montvale Board of Education exceeded its liabilities and deferred inflow of resources at the close of the fiscal year by \$26,929,248 (net position).
- ❖ The District's overall net position increased by \$1,029,262 or 3.82%.
- ❖ General revenues accounted for \$24,305,165 in revenue or 97% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$870,438 or 3% of total revenues of \$25,175,603.
- ❖ The School District had \$24,146,341 in expenses; with \$870,438 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$24,305,165 were adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$21,695,718 in revenues and \$21,098,300 in expenditures and other financing sources. The General Fund's fund balance increased \$597,418 over 2020. This increase was anticipated by the Board of Education.

**Using this Annual Comprehensive Financial Report (ACFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Montvale Board of Education as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

**MONTVALE BOARD OF EDUCATION  
MONTVALE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**UNAUDITED  
(CONTINUED)**

**Using this Annual Comprehensive Financial Report (ACFR) (Continued)**

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Montvale Board of Education, the General Fund is by far the most significant fund.

***Reporting the School District as a Whole***

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and ask the question, "How did we do financially during 2021?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- ❖ Governmental activities — All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ Business-Type Activity — This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Milk Program, Montvale Summer Institute, and Child Care Program enterprise funds are reported as business activities.



**MONTVALE BOARD OF EDUCATION  
MONTVALE, NEW JERSEY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED  
(CONTINUED)**

**Reporting the School District’s Most Significant Funds**

**Fund Financial Statements**

Fund financial reports provide detailed information about the School District’s funds – focusing on its most significant or “major” funds – not the District as a whole. The School District uses many funds to account for a multitude of financial transactions. The School District’s governmental funds are the General Fund and Special Revenue Fund.

- Some funds are required by State Law and bond covenants
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

**Governmental Funds**

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

**Proprietary Funds**

Services for which District charges a fee generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

**Enterprise Fund**

This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis is financed or recovered primarily through user charges. The District currently has two enterprise funds:

- Milk Program
- Montvale Summer Institute
- Child Care Program

**MONTVALE BOARD OF EDUCATION  
MONTVALE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED  
(CONTINUED)**

**Fund Financial Statements (Continued)**

**Fiduciary Funds**

The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for intended purposes and by those to whom the assets belong. Because of the implementation of GASB 84, all of the School District's fiduciary funds were determined to be more appropriately reported in the governmental funds. We now include these activities as part of the district-wide financial statements.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found starting on page 39 of this report.

**Other Information**

In addition to the financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual expenditure budget for the general and special revenue funds. A budgetary comparison has been provided for the general and special revenue funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and financial reporting for pensions as required under GASB Statement No. 68 as well as for Other Post-Employment Benefits as required under GASB Statement 75. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons.

**MONTVALE BOARD OF EDUCATION  
MONTVALE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED  
(CONTINUED)**

**The School District as a Whole**

Recall that the *Statement of Net Position* provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net position for 2021 and 2020.

**Table 1  
Net Position**

	2021	2020
<b>Assets</b>		
Current and Other Assets	\$ 5,328,922	\$ 4,332,090
Capital Assets	<u>26,408,807</u>	<u>9,617,069</u>
Total Assets	<u>31,737,729</u>	<u>13,949,159</u>
<b>Deferred Outflows of Resources</b>		
Pensions	<u>522,318</u>	<u>540,134</u>
Total Deferred Outflows of Resources	<u>522,318</u>	<u>540,134</u>
<b>Liabilities</b>		
Account and Other Payables	634,410	191,536
Aggregate Net Pension Liability		
Other Current Liabilities	24,508	12,928
Long-Term Liabilities	<u>3,315,953</u>	<u>4,060,188</u>
Total Liabilities	<u>3,974,871</u>	<u>4,264,652</u>
<b>Deferred Inflows of Resources</b>		
Pensions	<u>1,355,928</u>	<u>1,515,183</u>
Total Deferred Inflows of Resources	<u>1,355,928</u>	<u>1,515,183</u>
<b>Net Position</b>		
Net Investment in Capital Assets	25,648,168	8,193,069
Restricted	4,125,695	3,371,839
Unrestricted	<u>(2,844,615)</u>	<u>(2,855,450)</u>
<b>Total Net Position</b>	<u>\$ 26,929,248</u>	<u>\$ 8,709,458</u>

**MONTVALE BOARD OF EDUCATION  
MONTVALE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED  
(CONTINUED)**

**The School District as a Whole (Continued)**

The District's combined net position (deficit) were \$26,929,248 on June 30, 2021, and \$8,709,458 for 2020.

Table 2 shows changes in net position for fiscal years ended 2021 and 2020.

**Table 2  
Changes in Net Position**

	2021	2020
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 113,933	\$ 448,795
Operating Grants and Contributions	756,505	5,919,980
Capital Grants and Contributions	-	-
General Revenues:		
Property Taxes	17,533,585	16,876,183
Grants and Entitlements	6,733,885	13,601
Other	37,695	197,688
<b>Total Revenues</b>	<u>25,175,603</u>	<u>23,456,247</u>
<b>Program Expenses</b>		
Instruction	8,737,695	13,454,973
Support Services:		
Tuition	894,418	887,915
Student and Instruction Related	2,127,052	3,042,321
General and Business Administrative	9,160,116	1,343,012
School Administrative	716,025	1,197,268
Plant Operations and Maintenance	1,358,973	1,419,358
Pupil Transportation	558,349	473,310
Capital Outlay	346,231	-
Interest on Long-Term Debt	63,237	107,601
Unallocated Depreciation	6,210	-
Business-type activities:		
Milk Program	1,576	6,284
Montvale Summer Institute	-	21,862
Child Care	176,459	310,225
<b>Total Program Expenses</b>	<u>24,146,341</u>	<u>22,264,129</u>
<b>Changes in Net Position</b>	<u>\$ 1,029,262</u>	<u>\$ 1,192,118</u>

**MONTVALE BOARD OF EDUCATION  
MONTVALE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED  
(CONTINUED)**

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 70% for 2021 and 73% for 2020 of revenues for governmental activities for the Montvale Board of Education. The District's total revenues were \$25,114,023 for the year ended June 30, 2021, and \$23,138,031 for 2020. Federal, state, and local grants accounted for another 30% for 2021 and 26% for 2020 of revenues which includes \$3,554,512 for 2021 and \$2,267,901 for 2020 of state reimbursed TPAF social security contributions and on-behalf TPAF pension, post-retirement medical, and long-term disability insurance contributions.

The total cost of all program and services was \$23,968,306 for 2021 and \$21,925,758 for 2020. Instruction comprises 36% for 2021 and 61% for 2020 of District's expenses.

**Business-Type Activities**

Revenues for the District's business-type activities (milk program, Montvale summer institute, and child-care program) were comprised of charges for services and federal and state reimbursements.

- ❖ Expenses exceeded revenues by \$116,455 for 2021 and \$20,155 for 2020.
- ❖ Charges for services represent \$61,580 for 2021 and \$314,652 for 2020 of revenues. This represents amounts paid by patrons for the milk program, Montvale summer institute, and after-care program.
- ❖ Federal and state reimbursements for the milk program were none for 2021 and \$3,564 for 2020.

**Governmental Activities**

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**MONTVALE BOARD OF EDUCATION  
MONTVALE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**UNAUDITED  
(CONTINUED)**

**Governmental Activities (Continued)**

**Table 3**

	<b>Total Cost of Services</b>	
	<b>2021</b>	<b>2020</b>
Instruction	\$ 8,737,695	\$ 13,454,973
Support Services:		
Tuition	894,418	887,915
Student and Instruction Related	2,127,052	3,042,321
General and Business Administrative	9,160,116	1,343,012
School Administrative	716,025	1,197,268
Plant Operations and Maintenance	1,358,973	1,419,358
Pupil Transportation	558,349	473,310
Capital Outlay	346,231	-
Interest on Long-Term Debt	63,237	107,601
Unallocated Depreciation	6,210	-
<b>Total Expenses</b>	<b>\$ 23,968,306</b>	<b>\$ 21,925,758</b>

	<b>Net Cost of Services</b>	
	<b>2021</b>	<b>2020</b>
Instruction	\$ 8,173,857	\$ 9,552,700
Support Services:		
Tuition	894,418	453,851
Student and Instruction Related	2,093,434	2,361,863
General and Business Administrative	9,160,116	1,046,084
School Administrative	716,025	893,724
Plant Operations and Maintenance	1,358,973	1,314,587
Pupil Transportation	346,947	223,997
Capital Outlay	346,231	-
Interest on Long-Term Debt	63,237	28,393
Unallocated Depreciation	6,210	-
<b>Total Expenses</b>	<b>\$ 23,159,448</b>	<b>\$ 15,875,199</b>

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

Tuition and Students and Instruction Related expenses include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General and Business Administration and School Administration expenses include expenses associated with administrative and financial supervision of the District.

**MONTVALE BOARD OF EDUCATION  
MONTVALE, NEW JERSEY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED  
(CONTINUED)**

**Governmental Activities (Continued)**

Plant Operations and Maintenance expenses involve keeping the school grounds, buildings, and equipment in an effective working condition.

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

**The School District’s Funds**

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$22,813,551 for 2021 and \$21,432,245 for 2020 and expenditures were \$22,252,196 for 2021 and \$21,005,266 for 2020. The net change in fund balance for the year was an increase of \$561,355 for 2021 and \$426,979 for 2020. The positive change is most significant in the general fund for 2021 and for 2020.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2021, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2020	Percent of Increase/ (Decrease)
Local Sources	\$ 17,623,633	77.25%	\$ 415,617	2.42%
State Sources	4,649,597	20.38%	813,433	21.20%
Federal Sources	540,321	2.37%	152,256	39.23%
Total	<u>\$ 22,813,551</u>	<u>100.00%</u>	<u>\$ 1,381,306</u>	

Local revenues increased by \$415,617. The increase in local revenue was due to a tax increase needed to fund the additional expenditures associated with an increase in enrollment and higher operating costs.

Federal and state revenues increased due to additional funding in IDEA, ESSA, and CARES Act funds.

**MONTVALE BOARD OF EDUCATION  
MONTVALE, NEW JERSEY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED  
(CONTINUED)**

**The School District’s Funds (Continued)**

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2021, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2020	Percent of Increase/ (Decrease)
Current Expense:				
Instruction	\$ 8,486,262	38.14%	\$ 418,731	5.19%
Undistributed	12,679,079	56.98%	701,413	5.86%
Capital Outlay	496,108	2.23%	143,298	40.62%
Debt Service	590,747	2.65%	(16,512)	-2.72%
<b>Total</b>	<b>\$ 22,252,196</b>	<b>100.00%</b>	<b>\$ 1,246,930</b>	

Changes in expenditures were the results of varying factors. Current expense increased due to additional staff and students, and increased health benefits and utility costs.

**General Fund Budgeting Highlights**

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- ♣ TPAF, which is the state’s contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.
- ♣ Tuition for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into the District during the summer as well as the school year which necessitates transferring funds to the appropriate account to pay these special education costs.



**MONTVALE BOARD OF EDUCATION  
MONTVALE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**UNAUDITED  
(CONTINUED)**

**Capital Assets**

The School District had \$26,400,941 at June 30, 2021 and \$9,602,386 at June 30, 2020 invested in land, land improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment for governmental activities. For business-type activities, the School District had \$7,866 at June 30, 2021 and \$14,684 at June 30, 2020 invested in machinery and equipment. The table shows the balances of capital assets (net of depreciation) for fiscal years 2021 and 2020.

	2021				2020
	Beginning Balance	Additions	Retirements	Ending Balance	
<b>Governmental Activities:</b>	<i>(Restated)</i>				
<i>Capital Assets Not Being Depreciated:</i>					
Land and Land Improvements	\$ 18,812,600	\$ -	\$ -	\$ 18,812,600	\$ 250,000
Construction in Progress	-	-	-	-	783,601
Total Capital Assets Not Being Depreciated	<u>18,812,600</u>	<u>-</u>	<u>-</u>	<u>18,812,600</u>	<u>1,033,601</u>
<i>Capital Assets Being Depreciated:</i>					
Building and Building Improvements	13,891,077	-	-	13,891,077	14,630,839
Machinery and Equipment	868,278	149,877	-	1,018,155	968,800
Totals Capital Assets Being Depreciated	<u>14,759,355</u>	<u>149,877</u>	<u>-</u>	<u>14,909,232</u>	<u>15,599,639</u>
Less Accumulated Depreciation:					
Building and Building Improvements	6,396,141	227,671	-	6,623,812	6,410,569
Machinery and Equipment	630,395	66,684	-	697,079	620,285
Total Accumulated Depreciation	<u>7,026,536</u>	<u>294,355</u>	<u>-</u>	<u>7,320,891</u>	<u>7,030,854</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>7,732,819</u>	<u>(144,478)</u>	<u>-</u>	<u>7,588,341</u>	<u>8,568,785</u>
Government Activity Capital Assets, Net	<u>\$ 26,545,419</u>	<u>\$ (144,478)</u>	<u>\$ -</u>	<u>\$ 26,400,941</u>	<u>\$ 9,602,386</u>
<b>Business-Type Activities:</b>					
<i>Capital Assets Being Depreciated:</i>					
Machinery and Equipment	\$ 26,450	\$ -	\$ -	\$ 26,450	\$ 54,097
Less Accumulated Depreciation	17,008	1,576	-	18,584	39,413
Enterprise Fund Capital Assets, Net	<u>\$ 9,442</u>	<u>\$ (1,576)</u>	<u>\$ -</u>	<u>\$ 7,866</u>	<u>\$ 14,684</u>

Additional information on the School District's capital assets is presented in the Notes to the Financial Statements of this report.

**Long-Term Liabilities**

At year end, the School District's long-term liabilities consisted of bonds payable of \$891,000 and \$1,424,000, compensated absences payable of \$168,885 and \$230,761, and net pension liability of \$2,256,068 and \$2,405,427 for the fiscal years ended June 30, 2021 and 2020, respectively.

Additional information on the School District's long-term liabilities is presented in the Notes to the Financial Statements of this report.

**MONTVALE BOARD OF EDUCATION  
MONTVALE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED  
(CONTINUED)**

**For the Future**

The Montvale Board of Education is in stable financial condition presently. The School District is proud of its community support of the public schools. A concern is the continued growth of the District with the increased reliance on local property taxes.

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

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mrs. Andrea Wasserman, School Board Administrator at Montvale Board of Education, 47 Spring Valley Road, Montvale, New Jersey 07645.

***BASIC FINANCIAL STATEMENTS***

**SECTION A - DISTRICT-WIDE FINANCIAL STATEMENTS**

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

MONTVALE BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 2,047,672	\$ 119,660	\$ 2,167,332
Receivables, Net	374,504	479	374,983
Restricted Cash with Fiscal Agent	2,786,607		2,786,607
Capital Assets, Net			
Capital Assets, Being Depreciated	26,400,941	7,866	26,408,807
<b>Total Assets</b>	<b>31,609,724</b>	<b>128,005</b>	<b>31,737,729</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions	522,318		522,318
<b>Total Deferred Outflows of Resources</b>	<b>522,318</b>	<b>-</b>	<b>522,318</b>
<b>LIABILITIES:</b>			
Accounts Payable	632,558	1,852	634,410
Bond Interest Payable	13,058		13,058
Unearned Revenue		11,450	11,450
Long-Term Liabilities Other Than Pensions:			
Due Within One Year	145,000		145,000
Due Beyond One Year:			
Other Long-Term Liabilities	914,885		914,885
Aggregate Net Pension Liability	2,256,068		2,256,068
<b>Total Liabilities</b>	<b>3,961,569</b>	<b>13,302</b>	<b>3,974,871</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions	1,355,928		1,355,928
<b>Total Deferred Outflows of Resources</b>	<b>1,355,928</b>	<b>-</b>	<b>1,355,928</b>
<b>NET POSITION (DEFICIT):</b>			
Net Investment in Capital Assets	25,640,302	7,866	25,648,168
Restricted for:			
Capital Projects Fund	2,968,160		2,968,160
Unemployment Compensation	174,538		174,538
Debt Service Fund	(13,057)		(13,057)
Other Purposes	912,819		912,819
Student Activities	83,235		83,235
Unrestricted (Deficit)	(2,951,452)	106,837	(2,844,615)
<b>Total Net Position (Deficit)</b>	<b>\$ 26,814,545</b>	<b>\$ 114,703</b>	<b>\$ 26,929,248</b>

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

MONTVALE BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes In Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES:</b>							
Instruction:							
Regular	\$ 6,804,540	\$ -	\$ -	\$ -	(6,804,540)	\$ -	\$ (6,804,540)
Special Education	1,652,514		563,838		(1,088,676)		(1,088,676)
Other Special Education	257,620				(257,620)		(257,620)
Other Instruction	23,021				(23,021)		(23,021)
Support Services:							
Tuition	894,418				(894,418)		(894,418)
Student and Instruction Related Services	2,127,052	33,618 *			(2,093,434)		(2,093,434)
School Administrative Services	716,025				(716,025)		(716,025)
General and Business Administrative Services	9,160,116				(9,160,116)		(9,160,116)
Plant Operations and Maintenance	1,358,973				(1,358,973)		(1,358,973)
Pupil Transportation	558,349	18,735	192,667		(346,947)		(346,947)
Capital Outlay	346,231				(346,231)		(346,231)
Interest on Long-Term Debt	63,237				(63,237)		(63,237)
Unallocated Depreciation	6,210				(6,210)		(6,210)
Total Governmental Activities	23,968,306	52,353	756,505	-	(23,159,448)	-	(23,159,448)
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Milk Program	1,576				(1,576)		(1,576)
Child Care Program	176,459	61,580			(114,879)		(114,879)
Total Business-Type Activities	178,035	61,580	-	-	(116,455)		(116,455)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 24,146,341</b>	<b>\$ 113,933</b>	<b>\$ 756,505</b>	<b>\$ -</b>	<b>\$ (23,159,448)</b>	<b>\$ (116,455)</b>	<b>\$ (23,275,903)</b>
<b>GENERAL REVENUES:</b>							
Property Taxes Levied For:							
General Purposes			\$ 16,983,838		\$ 16,983,838		\$ 16,983,838
Debt Service			549,747		549,747		549,747
Federal and State Aid Not Restricted			6,733,885		6,733,885		6,733,885
Investment Earnings - Unrestricted			3,373		3,373		3,373
Investment Earnings - Restricted			100	**	100		100
Tuition Revenue			14,125		14,125		14,125
Miscellaneous Income			20,097		20,097		20,097
Total General Revenues			24,305,165		24,305,165		24,305,165
Change in Net Position			1,145,717		(116,455)		1,029,262
Net Position - July 1			8,473,058		236,399		8,709,457
Prior Period Adjustments			17,195,770		(5,241)		17,190,529
Net Position - July 1 (Restated)			25,668,828		231,158		25,899,986
Net Position - June 30			26,814,545		114,703		26,929,248

\* student activity revenue is reported as "charges for services"  
 \*\*\* includes the interest earnings on the unemployment compensation bank account and workers' compensation bank account

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

***SECTION B - FUND FINANCIAL STATEMENTS***

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

***GOVERNMENTAL FUNDS***



MONTVALE BOARD OF EDUCATION  
GOVERNMENT FUNDS  
BALANCE SHEET  
JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 1,751,370 *	\$ 39,951 *	\$ 256,350	\$ 1	\$ 2,047,672
Receivables From Other Governments	295,855	77,009			372,864
Other Receivables	1,640				1,640
Restricted Cash and Cash Equivalents	2,786,607				2,786,607
<b>Total Assets</b>	<b>\$ 4,835,472</b>	<b>\$ 116,960</b>	<b>\$ 256,350</b>	<b>\$ 1</b>	<b>\$ 5,208,783</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Accounts Payable	\$ 332,096	\$ 33,725	\$ -	\$ -	\$ 365,821
Payroll Deductions and Withholdings	3,088 **				3,088
Other Current Liabilities	50,640				50,640
Unemployment Trust Fund Liability	61,665 ***				61,665
<b>Total Liabilities</b>	<b>447,489</b>	<b>33,725</b>	<b>-</b>	<b>-</b>	<b>481,214</b>
Fund Balances:					
Restricted For:					
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures	400,000				400,000
Reserved for Excess Surplus	400,000				400,000
Capital Reserve Account	2,711,810				2,711,810
Maintenance Reserve Account	74,797				74,797
Unemployment Compensation	174,538				174,538
Capital Projects Fund			256,350		256,350
Debt Service Fund				1	1
Student Activities		83,235			83,235
Assigned:					
Other Purposes	38,022				38,022
Designated for Subsequent Year's Expenditures	116,848				116,848
Unassigned:					
General Fund	471,968				471,968
<b>Total Fund Balances</b>	<b>4,387,983</b>	<b>83,235</b>	<b>256,350</b>	<b>1</b>	<b>4,727,569</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,835,472</b>	<b>\$ 116,960</b>	<b>\$ 256,350</b>	<b>\$ 1</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$33,721,832 and the accumulated depreciation is \$7,320,891.

26,400,941

Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(3,315,953)

Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.

The School District has financed capital assets through the issuance of bonds. The interest accrual at year end is:

(13,058)

Accrued pension contributions for the June 30, 2021 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.

(151,344)

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred outflows of resources related to pensions

522,318

Deferred inflows of resources related to pensions

(1,355,928)

Net Position (Deficit) of Governmental Activities

\$ 26,814,545

- \* Include former fiduciary fund cash and cash equivalents  
\*\* Include payroll deductions payable  
\*\*\* Include unspent employee payroll unemployment contributions

MONTVALE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 16,983,838	\$ -	\$ -	\$ 549,747	\$ 17,533,585
Tuition	14,125				14,125
Transportation Fees	18,735				18,735
Interest Earned on Investments	3,373				3,373
Other Restricted Miscellaneous Revenues	100 *				100
Unrestricted Miscellaneous Revenues	3,102				3,102
Other Local Sources		50,613 **			50,613
<b>Total Local Sources</b>	<b>17,023,273</b>	<b>50,613</b>	<b>-</b>	<b>549,747</b>	<b>17,623,633</b>
State Sources	4,649,597				4,649,597
Federal Sources	22,848	517,473			540,321
<b>Total Revenues</b>	<b>21,695,718</b>	<b>568,086</b>	<b>-</b>	<b>549,747</b>	<b>22,813,551</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction:					
Regular	6,170,584	382,523			6,553,107
Special Education	1,652,514				1,652,514
Other Special Education	257,620				257,620
Other	23,021				23,021
Support Services and Undistributed Costs:					
Tuition	894,418				894,418
Student and Instruction Related Services	1,939,613	180,626 ***			2,120,239
School Administrative Services	715,345				715,345
General and Business Administrative Services	808,704				808,704
Plant Operations and Maintenance	1,348,305				1,348,305
Pupil Transportation	558,349				558,349
Unallocated Employee Benefits	6,233,719				6,233,719
Capital Outlay	496,108				496,108
Debt Service:					
Principal				533,000	533,000
Interest and other Charges				57,747	57,747
<b>Total Expenditures</b>	<b>21,098,300</b>	<b>563,149</b>	<b>-</b>	<b>590,747</b>	<b>22,252,196</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	597,418	4,937	-	(41,000)	561,355
<b>OTHER FINANCING SOURCES (USES):</b>					
Interfund Transfers:					
Transfers In				41,000	41,000
Transfers Out			(41,000)		(41,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(41,000)</b>	<b>41,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>597,418</b>	<b>4,937</b>	<b>(41,000)</b>	<b>-</b>	<b>561,355</b>
FUND BALANCES, JULY 1	3,616,127	-	297,350	1	3,913,478
PRIOR PERIOD ADJUSTMENTS	174,438 ****	78,298 *****	-	-	252,736
FUND BALANCES, JULY 1, RESTATED	3,790,565	78,298	297,350	1	4,166,214
FUND BALANCES, JUNE 30	<u>\$ 4,387,983</u>	<u>\$ 83,235</u>	<u>\$ 256,350</u>	<u>\$ 1</u>	<u>\$ 4,727,569</u>

\* Include interest earnings on the unemployment compensation bank account

\*\* Special revenue fund now includes revenues from student activities

\*\*\* Special revenue fund now includes expenditures from student activities

\*\*\*\* Unemployment Fund Net Position as of June 30, 2020

\*\*\*\*\* Student Activity Fund Net Position as of June 30, 2020

The accompanying notes to financial statements are an integral part of this statement.

MONTVALE BOARD OF EDUCATION  
 RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Total net change in fund balances - governmental funds (B-2) \$ 561,355

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those cost are shown in the statement of activities and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (294,355)	
Capital Outlay	<u>149,877</u>	(144,478)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

533,000

In the statement of activities, certain expenses, e.g., compensated absences (vacations & sick pay) are measured by the amounts earned or incurred during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

61,876

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognize as the interest accrued, regardless of when it is due. The increase in accrued interest is a deduction in the reconciliation. The decrease in accrued interest is an addition to the reconciliation.

(5,490)

Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized.

139,454

Change in net position of governmental activities

\$ 1,145,717

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

***PROPRIETARY FUNDS***

MONTVALE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2021

	Business-Type Activities - Enterprise Fund				Totals
	Milk Program	Montvale Summer Institute	Child Care		
<b>ASSETS:</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 540	\$ 11,732	\$ 107,388		\$ 119,660
Other Receivables			479		479
Total Current Assets	540	11,732	107,867		120,139
Noncurrent Assets:					
Furniture, Machinery and Equipment	26,450				26,450
Less: Accumulated Depreciation	(18,584)				(18,584)
Total Noncurrent Assets	7,866	-	-		7,866
<b>Total Assets</b>	<b>\$ 8,406</b>	<b>\$ 11,732</b>	<b>\$ 107,867</b>		<b>\$ 128,005</b>
<b>LIABILITIES AND NET POSITION:</b>					
Liabilities:					
Accounts Payable	-	-	\$ 1,852		\$ 1,852
Unearned Revenue		11,450			11,450
Total Liabilities	-	11,450	1,852		13,302
Net Position:					
Net Investment in Capital Assets Unrestricted	7,866	-	-		7,866
	540	282	106,015		106,837
Total Net Position	8,406	282	106,015		114,703
<b>Total Liabilities and Net Position</b>	<b>\$ 8,406</b>	<b>\$ 11,732</b>	<b>\$ 107,867</b>		<b>\$ 128,005</b>

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

MONTVALE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Fund				Totals
	Milk Program	Montvale Summer Institute	Child Care		
<b>OPERATING REVENUES:</b>					
Charges for Services:					
Program Fees	-	-	-	\$ 61,580	\$ 61,580
Total Operating Revenues				61,580	61,580
<b>OPERATING EXPENSES:</b>					
Salaries				142,703	142,703
Support Services - Employee Benefits				25,307	25,307
General Supplies and Materials				8,449	8,449
Depreciation Expense	1,576				1,576
Total Operating Expenses	1,576			176,459	178,035
<b>CHANGE IN NET POSITION</b>	(1,576)			(114,879)	(116,455)
TOTAL NET POSITION - JULY 1	15,223	282		220,894	236,399
PRIOR PERIOD RESTATEMENT	(5,241)			-	(5,241)
TOTAL NET POSITION - JULY 1 (RESTATED)	9,982	282		220,894	231,158
TOTAL NET POSITION - JUNE 30	\$ 8,406	\$ 282	\$	\$ 106,015	\$ 114,703

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

MONTVALE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Fund				Totals
	Montvale				
	Milk Program	Summer Institute	Child Care		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash Received from Customers	-	-	\$ 62,648	\$ 62,648	62,648
Cash Payments to Suppliers and Employees	(5,710)	6,090	(175,357)	(174,977)	(174,977)
<b>Net Cash Used In Operating Activities</b>	<b>(5,710)</b>	<b>6,090</b>	<b>(112,709)</b>		<b>(112,329)</b>
<b>NET DECREASE/(INCREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(5,710)</b>	<b>6,090</b>	<b>(112,709)</b>		<b>(112,329)</b>
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	<b>6,250</b>	<b>5,642</b>	<b>220,097</b>		<b>231,989</b>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<b>540</b>	<b>11,732</b>	<b>107,388</b>	<b>\$</b>	<b>119,660</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used In Operating Activities:</b>					
Operating Loss	(1,576)	-	-	\$	(116,455)
Depreciation	1,576				1,576
Change In Assets And Liabilities:					
Decrease In Other Receivables			1,068		1,068
Increase (Decrease) In Accounts Payable	(5,710)		1,102		(4,608)
Increase In Unearned Revenue		6,090			6,090
<b>Net Cash Used In Operating Activities</b>	<b>(5,710)</b>	<b>6,090</b>	<b>(112,709)</b>	<b>\$</b>	<b>(112,329)</b>

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

***NOTES TO THE FINANCIAL STATEMENTS***



**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The financial statements of the Board of Education (Board) of Montvale Board of Education (the "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 reports the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP in GAAP and used by the District are discussed below.

**B. Reporting Entity**

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

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

- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
- The primary government, or its component units, is entitled to. Or has the ability to otherwise access, a majority of the economic resources of the organization.
- The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include high school, middle school and elementary school. 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.

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

**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

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statement – Government-Wide Statements (Continued)**

(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 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 nets costs (by function or business-type activities 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.

**D. Basic Financial Statements – Fund Financial Statements**

The financial transactions of the District are reported 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. GASB No. 34 acts forth-minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combines) for the determination of major funds. The non-major funds are combines 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 a major, regardless of the fund meeting the GASB definition of a major fund. However, the GASB criteria are applied to proprietary funds.

The District reports the following governmental funds:

**Governmental Fund Type**

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay sub-fund.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements – Fund Financial Statements (Continued)**

Governmental Fund Type (Continued)

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

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

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

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state of offset the cost of approved capital projects.

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 financial 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.

**Fund Balances – Governmental Funds**

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

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements – Fund Financial Statements (Continued)**

Governmental Fund Type (Continued)

Non-spendable – 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 making 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 maybe 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 Government 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 spend 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:

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements – Fund Financial Statements (Continued)**

Proprietary Fund Type (Continued)

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 determinations of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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 governments, these funds are not incorporated into the government-wide statements.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 – Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements – Fund Financial Statements (Continued)**

This Statement establishes criteria for identifying fiduciary activities of all state and local government, including New Jersey school districts and their charter schools. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, or fiscal year 2020-2021. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. After considering the criteria and guidance, it was determined that payroll, payroll agency, and unemployment compensation insurance, previously reported as fiduciary funds, that such activities are more appropriately reported in a general fund. Additionally, the School District previously reported the activity of the student activity fund as a fiduciary fund. Beginning in fiscal year 2020-2021, such activity are more appropriately reported in a special revenue fund.

**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.

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.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements – Fund Financial Statements (Continued)**

**Basis of Accounting (Continued)**

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 recipients recognizes receivables and revenue when 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.

**F. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each 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.

ormal 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, 2021.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budget/Budgetary Control (Continued)**

**G. Assets, Liabilities, and 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 deposits 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. Addition, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred. Depreciation on the following assets is provided on the straight – line basis over the following estimated useful lives:



**MONTVALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Equity (Continued)**

Capital Assets (Continued)

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	20-50
Machinery and Equipment	5
Land Improvement	10-20
Other Infrastructure	10-50

Land and Construction in Progress are not depreciated.

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:

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. 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 non-current 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 presentation. (see note XII).

6. Unearned Revenue

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

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Equity (Continued)**

7. Long-Term Obligations

Long-term debt is recognized as liability of a governmental fund when due, or when resources have been accumulated in the debt service fund of 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 fund liability of a governmental fund. The non-current 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 presentation.

8. Fund Equity

Reserves represent those portions of fund equity not appropriable 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, 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 various programs based on the original budgetary expenditures by program.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Impact of Recently Issued Accounting Principles**

During fiscal years 2021 through 2022, the School District has adopted the following GASB statements.

Statement No. 84, *Fiduciary Activities*, will be effective with the fiscal year-ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

Recently Issued Accounting Pronouncements

Other GASB Statements that the School District is currently reviewing for applicability and potential impact on the financial statements include:

Statement No. 87, *Leases*, implementation postponed will be effective with the fiscal year-ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Impact of Recently Issued Accounting Principles (Continued)**

**Recently Issued Accounting Pronouncements (Continued)**

GASB No. 96, *Subscription Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBIT A and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASE Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of any discount or premium. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

GASB Statement No. 3 requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments. Category 1 includes deposits/investments held by the Board’s custodial bank trust department or agent in the Board’s name. Category 2 includes uninsured and unregistered deposits/investments held by the Board’s custodial bank trust department or agent in the Board’s name. Category 3 includes uninsured or unregistered deposits/investments held by a broker or dealer, or held by the Board’s custodial bank trust department or agent but not in the Board’s name. These categories are not broad representations that deposits or investments are “safe” or “unsafe”.

**A. Deposits and Investments**

**Deposits**

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

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

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

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

As of June 30, 2021, cash and cash equivalents of the District consisted of the following:

	General Fund	Special Revenue	Capital Projects	Debt Service	Proprietary Fund	Total
Operating Account	\$ 4,537,977	\$ 39,951	\$ 256,350	\$ 1	\$ 119,660	\$ 4,953,939

The carrying amount of the Board’s cash and cash equivalents at June 30, 2021 was \$4,953,939 and the bank balance was \$5,417,322. All bank balances were covered by Federal Depository Insurance Corp. (FDIC) and/or covered by a collateral pool maintained by the banks as required by GUDPA.

At June 30, 2021, Montvale Board of Education’s participation in the State of New Jersey Cash Management Fund amounted to \$2,909,872.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Deposits and Investments (Continued)**

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 failure of a depository financial institution, the Montvale Board of Education 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.

**Investments**

New Jersey statutes (N.J.S.A. 18A:20-37) permit the 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 or obligations guaranteed by the United States;
  - (2) Government money market mutual funds;
  - (3) Any obligation that a federal agency or 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 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 Statement of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) or

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Deposits and Investments (Continued)**

**Investments (Continued)**

- (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 is;
  - (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 I of P.L. 1970, c.236 (C.17:9-41) and for which a master repurchase agreement providing the custody and security of collateral is executed.

Montvale Board of Education had no investments at June 30, 2021.

**NOTE 3: INTERFUND RECEIVABLES AND PAYABLES**

As of June 30, 2021, there were no interfund receivables and payables resulting from various interfund transactions.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>	<i>(Restated)</i>			
Land and Land Improvements	\$ 18,812,600	\$ -	\$ -	\$ 18,812,600
Total Capital Assets Not Being Depreciated	<u>18,812,600</u>	<u>-</u>	<u>-</u>	<u>18,812,600</u>
<i>Capital Assets Being Depreciated:</i>				
Building and Building Improvements	13,891,077	-	-	13,891,077
Machinery and Equipment	868,278	149,877	-	1,018,155
Totals at Historical Cost	<u>14,759,355</u>	<u>149,877</u>	<u>-</u>	<u>14,909,232</u>
Less Accumulated Depreciation For:				
Building and Building Improvements	6,396,141	227,671	-	6,623,812
Machinery and Equipment	630,395	66,684	-	697,079
Total Accumulated Depreciation	<u>7,026,536</u>	<u>294,355</u>	<u>-</u>	<u>7,320,891</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>7,732,819</u>	<u>(144,478)</u>	<u>-</u>	<u>7,588,341</u>
Government Activity Capital Assets, Net	<u>\$ 26,545,419</u>	<u>\$ (144,478)</u>	<u>\$ -</u>	<u>\$ 26,400,941</u>
<b>Business-Type Activities:</b>				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	\$ 26,450	\$ -	\$ -	\$ 26,450
Less Accumulated Depreciation	<u>(17,008)</u>	<u>(1,576)</u>	<u>-</u>	<u>(18,584)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 9,442</u>	<u>\$ (1,576)</u>	<u>\$ -</u>	<u>\$ 7,866</u>

Depreciation expense was charged to functions as follows:

Instruction Services	\$ 251,433
Student and Instruction Related Services	6,813
General and Business Administrative Services	18,551
School Administrative Services	680
Plant Operations and Maintenance	10,668
Unallocated	6,210
Total	<u>\$ 294,355</u>



**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5: LONG-TERM OBLIGATIONS**

A. Operating Leases

The District has commitments to lease copiers under operating leases which expire in 2025. Total operating lease payments made during the year ended June 30, 2021 were \$13,990. Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2022	\$ 16,788
2023	16,788
2024	16,788
2025	16,788
2026	<u>2,798</u>
Total minimum lease payments	69,950
Less: Amount representing interest	<u>-</u>
Present value of net minimum lease payments	<u><u>\$ 69,950</u></u>

B. Long-Term Liabilities

Long-Term liability activity for the year ended June 30, 2021 was as follows:

	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>July 1, 2020</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2021</u>	<u>Due Within</u>
					<u>One Year</u>
Bonds Payable	\$ 1,424,000	\$ -	\$ 533,000	\$ 891,000	\$ 145,000
Compensated Absences Payable	230,761	19,285	81,161	168,885	-
Net Pension Liability	<u>2,405,427</u>	<u>3,772</u>	<u>153,131</u>	<u>2,256,068</u>	<u>-</u>
Total	<u><u>\$ 4,060,188</u></u>	<u><u>\$ 23,057</u></u>	<u><u>\$ 767,292</u></u>	<u><u>\$ 3,315,953</u></u>	<u><u>\$ 145,000</u></u>

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5: LONG-TERM OBLIGATIONS (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, 2021 consisted of the following:

<u>Descriptions</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	\$ -
School Bonds of 2006		11/15	2026	<u>2,371,000</u>	<u>891,000</u>
				<u>\$ 8,354,000</u>	<u>\$ 891,000</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>
2022	\$ 145,000	\$ 32,888	\$ 177,888
2023	150,000	26,988	176,988
2024	150,000	20,988	170,988
2025	150,000	14,988	164,988
2026	150,000	8,950	158,950
2027	146,000	2,957	148,957
	<u>\$ 891,000</u>	<u>\$ 107,759</u>	<u>\$ 998,759</u>

2. Temporary Notes

There are no Temporary Notes outstanding as of June 30, 2021.

3. Bonds Authorized But Not Issued

There were authorized but not issued bonds in the amount of \$640 as of June 30, 2021.

4. Capital Leases Payable

There were no Capital Leases as of June 30, 2021.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6: FUND EQUITY**

A. Reserved-Restricted Fund Balance

In accordance with N.J.C.A.6A:23A-14.3 the District has reserved fund balances in the amount of \$74,797 as of June 30, 2021. 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, 2021 is \$800,000. The reserved fund balance of \$400,000 has been appropriated in the fiscal year 2020-2021 and \$400,000 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 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 annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A: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.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6: FUND EQUITY (CONTINUED)**

Capital Reserve Account (Continued)

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

1997-1998	Budget (described above)	\$ 200,000
1997-2014	Investment Income	69,571
	Budget (Unreserved Fund Balance)	475,000
	Unexpected Capital Project	36,793
	Budgeted Withdrawal	(630,537)
2014-2015	Investment Income	226
	Budget (Unreserved Fund Balance)	150,000
2015-2016	Investment Income	1,113
	Budget (Unreserved Fund Balance)	600,000
2016-2017	Investment Income	3,884
	Budget (Unreserved Fund Balance)	426,868
	Budgeted Withdrawal	(300,000)
2017-2018	Investment Income	500
	Budget (Unreserved Fund Balance)	458,733
	Transfer from Capital Projects Fund	1,089
2018-2019	Investment Income	19,399
	Budget (Unreserved Fund Balance)	368,187
	Budget Expenditure	(217,647)
2019-2020	Investment Income	22,886
	Budget (Unreserved Fund Balance)	644,870
	Budget Withdrawal	(264,000)
2020-2021	Investment Income	922
	Budget (Unreserved Fund Balance)	993,954
	Budget Withdrawal	(350,000)
		<u>2,711,810</u>
	Balance June 30, 2021	<u>2,711,810</u>

The June 30, 2021 LRFPA balance of local support costs of uncompleted capital projects at Montvale Board of Education is \$26,610,641. However, the LRFPA is in the process of being revised.

**NOTE 7: PENSION PLANS**

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7: PENSION PLANS (CONTINUED)**

Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<http://www.nj.gov/treasury/pensions>

**A. Public Employees' Retirement System (PERS)**

**Plan Description**

The State of New Jersey, Public Employees; Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Annual Comprehensive Financial Report (ACFR), which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**Vesting and Benefit Provisions**

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:

<b>Tier</b>	<b>Descriptions</b>
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<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age of which a member can receive full early retirement benefits in

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**Vesting and Benefit Provisions (Continued)**

accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Contributions**

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing 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. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. School District contributions to PERS amounted to \$151,344 for fiscal year 2021.

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

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

At June 30, 2021, the School District reported a liability of \$2,256,068 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2019 which was rolled forward to June 30, 2020. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. For the June 30, 2020 measurement date, the School District's proportion was 0.0138346415%, which was an increase of 0.0004848652% from its proportion measured as of June 30, 2019 of 0.0133497763%.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

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

For the fiscal year ended June 30, 2021, the School District recognized pension expense of (\$116,684), in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date.

At June 30, 2021, the School 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	\$ 41,079	\$ 7,978
Changes in Assumptions	73,189	944,637
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	77,114	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	179,592	403,313
School District Contributions Subsequent to the Measurement Date	<u>151,344</u>	<u>-</u>
	<u>\$ 522,318</u>	<u>\$ 1,355,928</u>

\$151,344, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2022.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7: PENSION PLANS (CONTINUED)**

**Public Employees’ Retirement System (PERS) (Continued)**

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
<hr/>	<hr/>
2021	\$ (283,095)
2022	(258,097)
2023	(147,496)
2024	(59,645)
2025	(12,900)
	<hr/>
	<u>\$ (761,233)</u>

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2020, 2019, 2018, 2017, 2016, 2015, and 2014 amounts, respectively.



**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

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

The amortization of the other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Difference Between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72 years	-
June 30, 2016	5.57 years	-
June 30, 2017	5.48 years	-
June 30, 2018	-	5.63 years
June 30, 2019	-	5.21 years
June 30, 2020	5.16 years	-
Changes in Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44 years	-
June 30, 2015	5.72 years	-
June 30, 2016	5.57 years	-
June 30, 2017	-	5.48 years
June 30, 2018	-	5.63 years
June 30, 2019	-	5.21 years
June 30, 2020	-	5.16 years
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2015	5.00 years	-
June 30, 2016	5.00 years	-
June 30, 2017	5.00 years	-
June 30, 2018	5.00 years	-
June 30, 2019	5.00 years	-
June 30, 2020	5.00 years	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44 years	-
June 30, 2015	5.72 years	-
June 30, 2016	5.57 years	-
June 30, 2017	-	5.48 years
June 30, 2018	-	5.63 years

**MONTVALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2021**

**NOTE 7: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:

Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00%
	based on years of service
Thereafter	3.00 - 7.00%
	based on years of service

Investment Rate of Return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020. The actuarial assumptions used in the July 01, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 2.21% as of June 30, 2020, based on the Bond Buyer Go 20-Bond Municipal Bond Index. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% 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

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7: PENSION PLANS (CONTINUED)**

**Public Employees’ Retirement System (PERS) (Continued)**

**Discount Rate (Continued)**

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 to determine the total pension liability.

**Sensitivity of the School District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the School District’s proportionate share of the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the School District’s proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Measurement Date June 30, 2020		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 2,862,346	\$ 2,273,809	\$ 1,774,419

**Pension Plan Fiduciary Net Position**

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 respective fiduciary net position of the PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, 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. For additional information about PERS, please refer to the plan's Annual Comprehensive Financial Report (ACFR) which can be found at [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions).

**MONTVALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2021**

**NOTE 7: PENSION PLANS (CONTINUED)**

**B. Teacher’s Pension Annuity Fund (TPAF)**

**Plan Description**

The State of New Jersey, Teacher’s Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to the Division’s Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**Vesting and Benefit Provisions**

The vesting and benefit provision 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 of 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:

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

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

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7: PENSION PLANS (CONTINUED)**

**Teacher’s Pension Annuity Fund (TPAF) (Continued)**

**Contributions**

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. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal year 2020, the State’s pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the School District. However, the notes to the financial statements of the School District must disclose the portion of the School District’s total proportionate share of the net pension liability that is associated with the School District. During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$204,229 to the TPAF for normal pension benefits on behalf of the School District, which is less than the contractually required contribution of \$1,678,006.

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

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

At June 30, 2021, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

The State’s proportionate share of the net pension liability, attributable to the School District is as follows:

School District's Proportionate Share of the Net Pension Liability	\$ -
State of New Jersey 's Proportionate Share of the Net Pension Liability Associated with the School District	<u>48,761,400</u>
Total	<u><u>\$ 48,761,400</u></u>

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7: PENSION PLANS (CONTINUED)**

**Teacher’s Pension Annuity Fund (TPAF) (Continued)**

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

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. For the June 30, 2020 measurement date, the School District’s proportion of the net pension liability was based on a projection of the School District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2020, School District’s proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2020 measurement date, the State’s proportionate share of the TPAF net pension liability associated with the School District was 0.0740505551%, which was an increase of 0.0040775024% an increase from its proportion measured as of June 30, 2019 of 0.0719121723%.

For the fiscal year ended June 30, 2021, the School District recognized \$3,032,191 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2020 measurement date.

The State reported the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2020:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 7,815,939,253	\$ 14,241,964,752
Difference Between Expected and Actual Experience	986,767,511	182,357,860
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>656,175,235</u>	<u>-</u>
	<u>\$ 9,458,881,999</u>	<u>\$ 14,424,322,612</u>

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7: PENSION PLANS (CONTINUED)**

**Teacher's Pension Annuity Fund (TPAF) (Continued)**

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

The amortization of the deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	8.50 years
June 30, 2015	8.30 years	-
June 30, 2016	-	8.30 years
June 30, 2017	8.30 years	-
June 30, 2018	8.29 years	-
June 30, 2019	-	8.04 years
June 30, 2020	-	7.99 years
Changes in Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	8.50 years	-
June 30, 2015	8.30 years	-
June 30, 2016	8.30 years	-
June 30, 2017	-	8.30 years
June 30, 2018	-	8.29 years
June 30, 2019	-	8.04 years
June 30, 2020	7.99 years	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2015	5.00 years	-
June 30, 2016	5.00 years	-
June 30, 2017	5.00 years	-
June 30, 2018	5.00 years	-
June 30, 2019	5.00 years	-
June 30, 2020	5.00 years	-



**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7: PENSION PLANS (CONTINUED)**

**Teacher’s Pension Annuity Fund (TPAF) (Continued)**

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

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense excluding that attributable to employer-paid member contributions as follows:

Fiscal Year Ending June 30,	Total
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	(335,285,618)
	<u>\$ (4,965,440,613)</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. This actuarial valuations used the following actuarial assumptions, applied to 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%

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7: PENSION PLANS (CONTINUED)**

**Teacher's Pension Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions (Continued)**

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with

future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 01, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00%at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 7: PENSION PLANS (CONTINUED)**

**Teacher’s Pension Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return (Continued)**

Best estimates of arithmetic rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

**Discount Rate**

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020, 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 based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7: PENSION PLANS (CONTINUED)**

**Teacher’s Pension Annuity Fund (TPAF) (Continued)**

**Sensitivity of the School District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2020, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 5.40%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	Measurement Date June 30, 2020		
	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of the Net Pension Liability Associated with the School District	55,744,226	47,457,358	40,576,506
	<u>\$ 55,744,226</u>	<u>\$ 47,457,358</u>	<u>\$ 40,576,506</u>

**Pension Plan Fiduciary Net Position**

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 respective fiduciary net position of the TPAF and additions to/deductions from TPAF's fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, 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. For additional information about TPAF, please refer to the plan's Annual Comprehensive Financial Report (ACFR) which can be found at [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions).

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 7: PENSION PLANS (CONTINUED)**

**C. Defined Contribution Retirement Program (DCRP)**

**Plan Description**

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for Tier 3 enrollment but who earn salary of at least \$5,000.00 annually (The minimum salary in 2018 is \$8,300 and is subject to adjustment in future years); and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for Tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually. The minimum number of hours is 32 hours per week for local education employees.

**Vesting and Benefit Provisions**

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The actuary determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits and post-retirement medical premiums.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 7: PENSION PLANS (CONTINUED)**

**Defined Contribution Retirement Program (DCRP) (Continued)**

**Contributions (Continued)**

For DCRP, the School District recognized \$14,210 pension expense for the fiscal year ended June 30, 2021. There were \$28,623 employee contributions to DCRP for the fiscal year ended June 30, 2021.

**NOTE 8: POST-RETIREMENT MEDICAL BENEFITS**

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Annual Comprehensive Financial Report effective for the fiscal year ended June 30, 2020. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

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

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

**MONTVALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8: POST-RETIREMENT MEDICAL BENEFITS**

**Plan Description and Benefits Provided (Continued)**

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

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

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
	<hr/>
Total Plan Members	<u><u>366,108</u></u>

**Measurement Focus and Basis of Accounting**

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

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

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8: POST-RETIREMENT MEDICAL BENEFITS**

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67,809,962,608, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuation as of June 30, 2019 which were rolled forward to June 30, 2020.

**Actuarial Methods and Assumptions**

In the June 30, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The State of New Jersey provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have decreased from Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including new Medicare Advantage contracts. The State has appropriated \$1.775 billion in Fiscal Year 2021 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members.



**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8: POST-RETIREMENT MEDICAL BENEFITS**

**Post-Retirement Medical Benefits Contributions (Continued)**

This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76.0 billion liability recorded in Fiscal Year 2019.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a non-employer contributing entity, to the State Health Benefits Program Fund-Local Education Retired for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2021, 2020, and 2019 were \$698,771, \$613,353 and \$654,971, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a non-employer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 01, 2019 through June 30, 2020. Non-employer allocation percentages have been rounded for presentation purposes.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8: POST-RETIREMENT MEDICAL BENEFITS**

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

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

At June 30, 2020, the State had 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>
Difference Between Actual and Expected Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumptions Changes	<u>11,534,251,250</u>	<u>(7,737,500,827)</u>
Sub Total	21,829,570,000	(16,908,204,442)
Contributions Made in Fiscal Year Ending 2020 After June 30, 2019 Measurement Date	TBD	Not Available
Total	<u><u>\$ 21,829,570,000</u></u>	<u><u>\$ (16,908,204,442)</u></u>

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8: POST-RETIREMENT MEDICAL BENEFITS**

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in State’s OPEB expense as follows:

Measurement Period Ending June 30,	Total
2021	\$ 43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Total Thereafter	<u>4,704,163,473</u>
	<u>\$ 4,921,365,558</u>

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,300,472. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2021, the State's proportionate share of the OPEB liability attributable to the District is \$44,507,131. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was 0.0656350915%, which was an increase of 0.0000803721% from its proportionate share measured as of June 30, 2019 of 0.0655547194%.

**Actuarial Assumptions**

The OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8: POST-RETIREMENT MEDICAL BENEFITS**

**Actuarial Assumptions (Continued)**

Inflation Rate	2.50%		
	<b><u>TPAF/ABP</u></b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Salary Increases:			
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years	3.25 - 15.25% based on service years
Thereafter	1.55 - 4.45% based on service years	3.00 - 7.00% based on service years	Applied to all future years

Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

Health Care Trend Assumption – For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**Long-Term Expected Rate of Return**

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2020.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8: POST-RETIREMENT MEDICAL BENEFITS**

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	2.21%
2020	June 30, 2019	3.50%

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

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

	<u>District's Total OPEB Liability (State Share 100%)</u>	<u>State of New Jersey's Total OPEB Liability</u>
Balance at June 30, 2019 Measurement Date	\$ 27,355,382	\$ 46,110,832,982
Changes Recognized for the Fiscal Year:		
Service Cost	1,154,495	1,734,404,850
Interest on Total OPEB Liability	984,810	1,827,787,206
Changes of Benefit Terms	-	-
Differences between Expected and Actual Experiences	7,633,869	(7,323,140,818)
Effect of Changes of Assumptions	8,129,923	622,184,027
Contributions - Employees	23,485	37,971,171
Gross Benefits Paid by the State	(774,833)	(1,280,958,373)
<b>Net Changes</b>	<u>17,151,749</u>	<u>(4,381,751,937)</u>
Balance at June 30, 2020 Measurement Date	\$ <u>44,507,131</u>	\$ <u>41,729,081,045</u>

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8: POST-RETIREMENT MEDICAL BENEFITS**

**Changes in the Total OPEB Liability (Continued)**

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% in 2019 to 2.21% in 2020.

**Changes in the Total OPEB Liability (Continued)**

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2020 was not provided by the pension system.

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.21%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current rate:

	Measurement Date June 30, 2020		
	At 1% Decrease (1.21%)	At Current Discount Rate (2.21%)	At 1% Increase (3.21%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 53,655,644	\$ 44,507,131	\$ 37,353,875

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

	Measurement Date June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 35,927,657	\$ 44,507,131	\$ 54,723,378

**MONTVALE BOARD OF EDUCATION  
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JUNE 30, 2021**

**NOTE 8: POST-RETIREMENT MEDICAL BENEFITS**

**Sensitivity of OPEB Liability (Continued)**

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

**NOTE 9: 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 Montvale Board of Education (without being restricted to the provisions of benefits under the Plan) subject only to the claims of Montvale Board of Education's general creditors. Participants' rights under the plan are equivalent to those of general creditors of Montvale Board of Education 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 or 100 percent of the participant's includible compensation for the taxable year except as provide by the limited catch-up provision which may affect a participant's last three taxable years ending before a participant affairs normal retirement age as defined by plan.

**NOTE 10: 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.

**MONTVALE BOARD OF EDUCATION  
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**NOTE 10: RISK MANAGEMENT (CONTINUED)**

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 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 assessment 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 assessments maybe levied. Additionally, the Fund maintains a contract of excess insurance with a commercial reinsurer to secure the payment of benefits.

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

**NOTE 11: 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 of retirement plan.

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



**MONTVALE BOARD OF EDUCATION  
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**NOTE 11: 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, 2021, no liability existed for compensated absences in the Special Milk Program, Montvale Summer Institute or Child Care Program Funds.

**NOTE 12: RESTATEMENT**

On July 1, 2020, the Montvale Board of Education implemented GASB Statement No. 84, *Fiduciary Activities*. The Montvale Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

Governmental Activities and Business-Type Activities

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll related activities, which were previously reported as fiduciary activities to governmental activities. In addition, the financial statements have been restated to reflect the valuation of capital assets as per a new appraisal report received by the District. The effect of these restatements is to increase net position of governmental activities by \$17,195,770 from \$8,473,058 as previously reported to \$25,668,828 as of June 30, 2020. The effect of these restatements is to decrease net position of business-type activities by \$5,241 from \$236,399 as previously reported to \$231,158 as of June 30, 2020.

Governmental Funds

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll related activities, which were previously reported as fiduciary activities to governmental activities. The effect of these restatements is to increase fund balances of governmental funds by \$252,736 from \$3,913,478 as previously reported to \$4,166,214 as of June 30, 2020. General Fund fund balance increased \$174,438 from \$3,616,127 as previously reported to \$3,790,565 as of June 30, 2020. Special Revenue Fund fund balance increased \$78,298 from zero as previously reported to \$78,298 as of June 30, 2020.

Proprietary Funds

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the valuation of capital assets as per a new appraisal report received by the District. The effect of these restatements is to decrease net position of Milk Program by \$5,241 from \$236,399 as previously reported to \$231,158 as of June 30, 2020.

**MONTVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 12: RESTATEMENT**

Fiduciary Funds

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$408,989 from \$408,989 as previously reported to zero as of June 30, 2020.

**NOTE 13: SUBSEQUENT EVENTS**

Subsequent events were evaluated through March 15, 2022, the date the financial statements were available to be issued.

**NOTE 14: IMPACT OF COVID-19**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

Although the School District cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material effect on the School District’s results of future operations, financial position, and liquidity in fiscal year 2022.

***REQUIRED SUPPLEMENTARY INFORMATION – PART II***

***SECTION C – BUDGETARY COMPARISON SCHEDULE***

MONTVALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 16,983,838	\$ -	\$ 16,983,838	\$ 16,983,838	\$ -
Tuition - Other LEA's	12,500		12,500	14,125	1,625
Transportation Fees from Other LEA's	39,000		39,000	18,735	(20,265)
Rentals	75,600		75,600		(75,600)
Earnings on Investments	1,000		1,000	2,451	1,451
Interest on Investments - Capital Reserve	500		500	922	422
Unrestricted Miscellaneous Revenues	3,500		3,500	3,102	(398)
Other Restricted Miscellaneous Revenues				100 *	100
<b>State Sources:</b>					
Transportation Aid	192,645		192,645	192,645	-
Special Education Categorical Aid	654,262		654,262	567,610	(86,652)
Extraordinary Aid	125,000		125,000	314,279	189,279
Security Aid	18,499		18,499	18,499	-
Other Unrestricted State Aid				5,800	5,800
On-Behalf TPAF Pension Aid				2,229,757	2,229,757
Reimbursed TPAF Social Security Aid				624,815	624,815
On-Behalf TPAF Post-Retirement Medical Aid				698,771	698,771
On-Behalf TPAF Long-Term Disability Insurance Aid				1,169	1,169
<b>Total State Sources</b>	<b>990,406</b>	<b>-</b>	<b>990,406</b>	<b>4,653,345</b>	<b>3,662,939</b>
<b>Federal Sources:</b>					
FEMA				22,848	22,848
<b>Total Federal Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,848</b>	<b>22,848</b>
<b>TOTAL REVENUES</b>	<b>18,106,344</b>	<b>-</b>	<b>18,106,344</b>	<b>21,699,466</b>	<b>3,593,122</b>
<b>EXPENDITURES:</b>					
<b>Current Expenses:</b>					
<b>Instruction:</b>					
<b>Regular Programs:</b>					
<b>Salaries of Teachers:</b>					
Preschool	39,079		39,079	38,476	603
Kindergarten	568,947	30,000	598,947	594,212	4,735
Grades 1-5	2,956,611	234,000	3,190,611	3,185,840	4,771
Grades 6-8	2,017,053	(30,453)	1,986,600	1,906,291	80,309
<b>Total Regular Programs - Instruction</b>	<b>5,581,690</b>	<b>233,547</b>	<b>5,815,237</b>	<b>5,724,819</b>	<b>90,418</b>
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	1,000	453	1,453	1,453	-
Purchased Prof/Ed Services	5,000	1,000	6,000	2,830	3,170
<b>Total Regular Programs - Home Instruction</b>	<b>6,000</b>	<b>1,453</b>	<b>7,453</b>	<b>4,283</b>	<b>3,170</b>
<b>Regular Programs - Undistributed Instruction:</b>					
Other Salaries for Instructions	124,786	6,000	130,786	112,779	18,007
Purchased Prof/Ed Services	53,160	7,500	60,660	36,625	24,035
Purchased Technical Services	7,200		7,200	3,213	3,987
Other Purchased Services	50,000	(9,300)	40,700	22,140	18,560
General Supplies	269,905	24,684	294,589	265,714	28,875
Textbooks	11,500	(9,100)	2,400	1,011	1,389
<b>Total Regular Programs - Undistributed Instruction</b>	<b>516,551</b>	<b>19,784</b>	<b>536,335</b>	<b>441,482</b>	<b>94,853</b>
<b>Total Regular Programs</b>	<b>6,104,241</b>	<b>254,784</b>	<b>6,359,025</b>	<b>6,170,584</b>	<b>188,441</b>
<b>Special Education:</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	124,376	8,000	132,376	131,721	655
Other Salaries for Instruction	94,239	(30,000)	64,239	62,969	1,270
Purchased Prof/Ed Services	4,000	(1,200)	2,800	2,800	-
General Supplies	3,300	1,200	4,500	2,116	2,384
<b>Total Learning and/or Language Disabilities</b>	<b>225,915</b>	<b>(22,000)</b>	<b>203,915</b>	<b>196,806</b>	<b>7,109</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,139,258	41,654	1,180,912	1,150,450	30,462
General Supplies	12,300	(2,600)	9,700	6,159	3,541
<b>Total Resource Room/Resource Center</b>	<b>1,151,558</b>	<b>39,054</b>	<b>1,190,612</b>	<b>1,156,609</b>	<b>34,003</b>

MONTVALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 64,606	\$ 3,264	\$ 67,870	\$ 66,870	\$ 1,000
Other Salaries for Instruction	41,754	1,015	42,769	42,768	1
Purchased Prof/Ed Services	4,000		4,000		4,000
General Supplies	1,500	1,701	3,201	3,061	140
<b>Total Preschool Disabilities - Part-Time</b>	<b>111,860</b>	<b>5,980</b>	<b>117,840</b>	<b>112,699</b>	<b>5,141</b>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	90,955	3,067	94,022	93,497	525
Other Salaries for Instruction	100,023		100,023	87,762	12,261
Purchased Prof/Ed Services	2,000		2,000		2,000
General Supplies	2,700		2,700	2,696	4
<b>Total Preschool Disabilities - Full-Time</b>	<b>195,678</b>	<b>3,067</b>	<b>198,745</b>	<b>183,955</b>	<b>14,790</b>
Home Instruction:					
Salaries of Teachers	8,000		8,000	1,015	6,985
Purchased Prof/Ed Services		2,600	2,600	1,430	1,170
<b>Total Home Instruction</b>	<b>8,000</b>	<b>2,600</b>	<b>10,600</b>	<b>2,445</b>	<b>8,155</b>
Basic Skills/Remedial:					
Salaries of Teachers	428,050	(210,000)	218,050	185,556	32,494
General Supplies	1,000		1,000	607	393
<b>Total Basic Skills/Remedial</b>	<b>429,050</b>	<b>(210,000)</b>	<b>219,050</b>	<b>186,163</b>	<b>32,887</b>
Bilingual Education:					
Salaries of Teachers	69,032	3,000	72,032	71,457	575
General Supplies	800		800		800
<b>Total Bilingual Education</b>	<b>69,832</b>	<b>3,000</b>	<b>72,832</b>	<b>71,457</b>	<b>1,375</b>
<b>Total Special Education</b>	<b>2,191,893</b>	<b>(178,299)</b>	<b>2,013,594</b>	<b>1,910,134</b>	<b>103,460</b>
Other Instructional Programs:					
School-Sponsored Co-Curricular and Extra-Curricular Activities:					
Salaries	55,800	(30,000)	25,800	1,235	24,565
Purchased Services	750		750		750
Supplies and Materials	4,000		4,000		4,000
<b>Total School-Sponsored Co-Curricular and Extra-Curricular Activities</b>	<b>60,550</b>	<b>(30,000)</b>	<b>30,550</b>	<b>1,235</b>	<b>29,315</b>
School-Sponsored Athletics:					
Salaries	38,000		38,000	14,404	23,596
Purchased Services	4,500		4,500	4,000	500
Supplies and Materials	4,000		4,000	3,382	618
<b>Total School-Sponsored Athletics</b>	<b>46,500</b>	<b>-</b>	<b>46,500</b>	<b>21,786</b>	<b>24,714</b>
<b>Total Other Instructional Programs</b>	<b>107,050</b>	<b>(30,000)</b>	<b>77,050</b>	<b>23,021</b>	<b>54,029</b>
<b>Total Instruction</b>	<b>8,403,184</b>	<b>46,485</b>	<b>8,449,669</b>	<b>8,103,739</b>	<b>345,930</b>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special Education	665,639	(38,000)	627,639	580,699	46,940
Tuition to County Special Services Districts and Regional Day School Within the State	139,160	86,000	225,160	219,423	5,737
Tuition to Private Schools for the Disabled Within the State	146,907	(48,000)	98,907	94,296	4,611
Tuition - Other	1,000		1,000		1,000
<b>Total Instruction</b>	<b>952,706</b>	<b>-</b>	<b>952,706</b>	<b>894,418</b>	<b>58,288</b>
Attendance and Social Work Services:					
Salaries	12,520	(33)	12,487	10,431	2,056
Purchased Prof/Tech Services	15,500		15,500	15,150	350
Supplies and Materials	100		100		100
<b>Total Attendance and Social Work Services</b>	<b>28,120</b>	<b>(33)</b>	<b>28,087</b>	<b>25,581</b>	<b>2,506</b>
Health Services:					
Salaries	165,382	4,000	169,382	148,290	21,092
Purchased Prof/Tech Services	157,500	(17,000)	140,500	84,947	55,553
Other Purchased Services	400		400		400
Supplies and Materials	4,000	8,150	12,150	10,663	1,487
<b>Total Health Services</b>	<b>327,282</b>	<b>(4,850)</b>	<b>322,432</b>	<b>243,900</b>	<b>78,532</b>

MONTVALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Other Support Services Students - OT, PT, and Related Services:</b>					
Salaries	\$ 202,175	\$ -	\$ 202,175	\$ 197,059	\$ 5,116
Purchased Prof/Ed Services	146,000	35,000	181,000	171,777	9,223
Supplies and Materials	2,500	2,200	4,700	4,285	415
<b>Total Other Support Services Students - OT, PT, and Related Services</b>	<b>350,675</b>	<b>37,200</b>	<b>387,875</b>	<b>373,121</b>	<b>14,754</b>
<b>Other Support Services Students - Extraordinary Services:</b>					
Salaries	275,140	(5,000)	270,140	219,039	51,101
Purchased Prof/Ed Services	278,300	(33,842)	244,458	95,299	149,159
Supplies and Materials	2,000	(100)	1,900	1,012	888
<b>Total Other Support Services Students - Extraordinary Services</b>	<b>555,440</b>	<b>(38,942)</b>	<b>516,498</b>	<b>315,350</b>	<b>201,148</b>
<b>Other Support Services Students - Regular Services (Guidance):</b>					
Salaries of Other Professional Staff	160,839	33	160,872	160,872	-
Purchased Prof/Ed Services	6,000		6,000	5,115	885
Supplies and Materials	4,100		4,100	1,095	3,005
<b>Total Other Support Services Students - Regular Services (Guidance)</b>	<b>170,939</b>	<b>33</b>	<b>170,972</b>	<b>167,082</b>	<b>3,890</b>
<b>Other Support Services Students - Special Services (Child Study Teams):</b>					
Salaries of Other Professional Staff	347,374	(25,000)	322,374	317,495	4,879
Salaries of Secretarial and Clerical Assistants	57,700		57,700	53,308	4,392
Purchased Prof/Ed Services	75,000	20,800	95,800	91,714	4,086
Other Purchased Prof/Tech Services	26,000	22,800	48,800	44,253	4,547
Supplies and Materials	6,000	300	6,300	6,007	293
Other Objects	7,500		7,500	2,464	5,036
<b>Total Other Support Services Students - Special Services (Child Study Teams)</b>	<b>519,574</b>	<b>18,900</b>	<b>538,474</b>	<b>515,241</b>	<b>23,233</b>
<b>Improvement of Instruction Services:</b>					
Salaries of Supervisors of Instruction	170,746		170,746	167,847	2,899
Salaries of Other Professional Staff	13,720		13,720	9,468	4,252
Salaries of Secretarial and Clerical Assistants	27,295		27,295	27,294	1
Purchased Prof/Ed Services	22,000		22,000	21,165	835
Other Purchased Services	2,500		2,500	1,598	902
Supplies and Materials	250		250	250	-
<b>Total Improvement of Instruction Services</b>	<b>236,511</b>	<b>-</b>	<b>236,511</b>	<b>227,372</b>	<b>9,139</b>
<b>Educational Media/Library:</b>					
Salaries	76,177	(4,000)	72,177	43,495	28,682
Purchased Prof/Tech Services	8,630	750	9,380	9,270	110
Supplies and Materials	14,400	2,993	17,393	11,466	5,927
<b>Total Educational Media/Library</b>	<b>99,207</b>	<b>(257)</b>	<b>98,950</b>	<b>64,231</b>	<b>34,719</b>
<b>Instructional Staff Training Services:</b>					
Salaries of Other Professional Staff	3,150		3,150	1,505	1,645
Purchased Prof/Ed Services	10,000		10,000		10,000
Other Purchased Services	23,000		23,000	5,857	17,143
Supplies and Materials	2,200		2,200	373	1,827
<b>Total Instructional Staff Training Services</b>	<b>38,350</b>	<b>-</b>	<b>38,350</b>	<b>7,735</b>	<b>30,615</b>
<b>Support Services General Administration:</b>					
Salaries	297,998		297,998	297,990	8
Legal Fees	33,000		33,000	19,197	13,803
Audit Fees	16,000	28,900	44,900	14,900	30,000
Other Purchased Professional Fees	40,000	(3,000)	37,000	11,900	25,100
Purchased Technical Services	16,421	3,000	19,421	16,325	3,096
Communications/Telephone	28,600		28,600	20,438	8,162
BOE Other Purchased Services	2,000		2,000		2,000
Other Purchased Services	17,000	(600)	16,400	6,340	10,060
General Supplies	2,000	600	2,600	2,594	6
BOE In-House Training/Meeting Supplies	500		500	491	9
Miscellaneous Expenditures	2,800		2,800	89	2,711
BOE Membership Dues and Fees	8,000		8,000	7,429	571
<b>Total Support Services General Administration</b>	<b>464,319</b>	<b>28,900</b>	<b>493,219</b>	<b>397,693</b>	<b>95,526</b>
<b>Support Services School Administration:</b>					
Salaries of Principals/Assistant Principals/Program Directors	446,441	7,500	453,941	451,246	2,695
Salaries of Other Professional Staff	70,249		70,249	70,098	151
Salaries of Secretarial and Clerical Assistants	184,352		184,352	178,850	5,502
Purchased Prof/Tech Services	3,000		3,000	2,927	73
Other Purchased Services	10,000	(400)	9,600	3,687	5,913
Supplies and Materials	8,000	414	8,414	2,994	5,420
Other Objects	2,200	3,500	5,700	5,543	157
<b>Total Support Services School Administration</b>	<b>724,242</b>	<b>11,014</b>	<b>735,256</b>	<b>715,345</b>	<b>19,911</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

MONTVALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

C-1  
Sheet 4

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Central Services:</b>					
Salaries	\$ 340,987	\$ 17,500	\$ 358,487	\$ 336,201	\$ 22,286
Purchased Professional Services	5,000		5,000	2,269	2,731
Miscellaneous Purchased Services	5,000	(1,000)	4,000	1,390	2,610
Supplies and Materials	5,000	(2,472)	2,528	2,048	480
<b>Total Central Services</b>	<b>355,987</b>	<b>14,028</b>	<b>370,015</b>	<b>341,908</b>	<b>28,107</b>
<b>Administrative Information Technology Services:</b>					
Salaries	58,273		58,273	56,488	1,785
Purchased Technical Services	15,900	(1,000)	14,900	11,716	3,184
Supplies and Materials		1,000	1,000	899	101
<b>Total Administrative Information Technology Services</b>	<b>74,173</b>	<b>-</b>	<b>74,173</b>	<b>69,103</b>	<b>5,070</b>
<b>Required Maintenance for School Facilities:</b>					
Salaries	85,757		85,757	83,951	1,806
Cleaning, Repair and Maintenance Services	81,000	34,933	115,933	104,757	11,176
General Supplies	20,000	(11,800)	8,200	6,843	1,357
Other Objects	2,000		2,000	1,207	793
<b>Total Required Maintenance for School Facilities</b>	<b>188,757</b>	<b>23,133</b>	<b>211,890</b>	<b>196,758</b>	<b>15,132</b>
<b>Custodial Services:</b>					
Salaries	188,848		188,848	159,718	29,130
Cleaning, Repair and Maintenance Services	519,212	33,475	552,687	551,181	1,506
Other Purchased Property Services	16,500	(1,000)	15,500	14,464	1,036
Insurance	103,382	(6,100)	97,282	97,023	259
Miscellaneous Purchased Services	1,500	(1,200)	300	125	175
General Supplies	45,000	35,546	80,546	74,111	6,435
Energy (Heat and Electricity)	140,500	(31,100)	109,400	108,153	1,247
Energy (Natural Gas)	89,500	20,000	109,500	88,765	20,735
Other Objects	1,000		1,000	588	412
<b>Total Custodial Services</b>	<b>1,105,442</b>	<b>49,621</b>	<b>1,155,063</b>	<b>1,094,128</b>	<b>60,935</b>
<b>Care and Upkeep Grounds:</b>					
Cleaning, Repair and Maintenance Services	57,500	1,200	58,700	52,964	5,736
General Supplies	3,000	1,000	4,000	3,479	521
<b>Total Care and Upkeep Grounds</b>	<b>60,500</b>	<b>2,200</b>	<b>62,700</b>	<b>56,443</b>	<b>6,257</b>
<b>Security:</b>					
Cleaning, Repair and Maintenance Services	30,000	(29,450)	550		550
General Supplies	2,000		2,000	976	1,024
<b>Total Security</b>	<b>32,000</b>	<b>(29,450)</b>	<b>2,550</b>	<b>976</b>	<b>1,574</b>
<b>Student Transportation Services:</b>					
Salaries for Pupil Transportation (B/T Home & School) - Regular	9,697		9,697	9,213	484
Contracted Services - Aid In Lieu of Payment for Non-public School Students	25,000	(2,000)	23,000	13,371	9,629
Contracted Services - Transportation (B/T Home & School) - Vendors	329,054	62,000	391,054	390,960	94
Contracted Services - Transport (Other Than B/T Home & School) - Vendors	26,880	(20,000)	6,880	3,188	3,692
Contracted Services (Special Ed Students) - Joint Agreements	210,000		210,000	141,617	68,383
<b>Total Student Transportation Services</b>	<b>600,631</b>	<b>40,000</b>	<b>640,631</b>	<b>558,349</b>	<b>82,282</b>
<b>Unallocated Employee Benefits:</b>					
Group Insurance	3,000		3,000	2,968	32
Social Security Contribution	165,000		165,000	160,174	4,826
Other Retirement Contributions - PERS	155,000		155,000	151,344	3,656
Other Retirement Contributions - DCRP	25,000		25,000	14,210	10,790
Unemployment Compensation	10,000		10,000	10,000	-
Workmen's Compensation	71,000		71,000	44,205	26,795
Health Benefits	2,764,678	(149,700)	2,614,978	2,281,327	333,651
Unused Sick Payments to Terminated Employees	22,000		22,000		22,000
Tuition Reimbursement	25,500		25,500	14,754	10,746
Other Employee Benefits	2,000		2,000	225	1,775
<b>Total Unallocated Employee Benefits</b>	<b>3,243,178</b>	<b>(149,700)</b>	<b>3,093,478</b>	<b>2,679,207</b>	<b>414,271</b>
<b>Contributions:</b>					
On-Behalf TPAF Pension Contributions (Non-Budgeted)				2,229,757	(2,229,757)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				624,815	(624,815)
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)				698,771	(698,771)
On-Behalf TPAF Long-Term Disability Insurance Contributions (Non-Budgeted)				1,169	(1,169)
<b>Total Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,554,512</b>	<b>(3,554,512)</b>
<b>Total Undistributed Expenditures</b>	<b>10,128,033</b>	<b>1,797</b>	<b>10,129,830</b>	<b>12,498,453</b>	<b>(2,368,623)</b>
<b>Total Expenditures - Current Expense</b>	<b>18,531,217</b>	<b>48,282</b>	<b>18,579,499</b>	<b>20,602,192</b>	<b>(2,022,693)</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.



MONTVALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Capital Outlay:					
Equipments:					
Instructional Expenditures:					
Regular Programs - Grades 1-5	\$ -	\$ 24,510	\$ 24,510	\$ 20,509	\$ 4,001
Regular Programs - Grades 6-8		18,831	18,831	18,773	58
Total Instructional Expenditures	-	43,341	43,341	39,282	4,059
Undistributed Expenditures:					
Operation and Maintenance of Plant Services		91,971	91,971	91,137	834
Total Undistributed Expenditures	-	91,971	91,971	91,137	834
Facilities Acquisition and Construction Services:					
Other Purchased Prof/Tech Services	20,000	6,733	26,733	6,734	19,999
Construction Services	421,000		421,000	330,562	90,438
Other Objects	28,393		28,393	28,393	-
Total Facilities Acquisition and Construction Services	469,393	6,733	476,126	365,689	110,437
Total Capital Outlay	469,393	142,045	611,438	496,108	115,330
Total Expenditures - General Fund	19,000,610	190,327	19,190,937	21,098,300	(1,907,363)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(894,266)	(190,327)	(1,084,593)	601,166	1,685,759
FUND BALANCES, JULY 1	3,860,804	-	3,860,804	3,686,366	(174,438)
PRIOR PERIOD ADJUSTMENT	-	-	-	174,438 **	174,438
FUND BALANCES, JULY 1, RESTATED	3,860,804	-	3,860,804	3,860,804	-
FUND BALANCES, JUNE 30	<u>\$ 2,966,538</u>	<u>\$ (190,327)</u>	<u>\$ 2,776,211</u>	<u>\$ 4,461,970</u>	<u>\$ 1,685,759</u>
(Continued from Prior Page)					
RECAPITULATION:					
Restricted For:					
Excess Surplus				\$ 400,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				400,000	
Capital Reserve Account				2,711,810	
Maintenance				74,797	
Unemployment Compensation				174,538	
Assigned Fund Balance:					
Year-End Encumbrances				38,022	
Designated For Subsequent Year's Expenditures				116,848	
Unassigned Fund Balance				545,955	
				<u>4,461,970</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Less: State Aid Payment Not Recognized on GAAP Basis				(73,987)	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 4,387,983</u>	

\* Include interest earnings on the unemployment compensation bank account  
\*\* Represents Unemployment Fund Net Position as of June 30, 2020

MONTVALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUE SOURCES:</b>					
Local	\$ -	\$ 16,995	\$ 16,995	\$ 50,613	\$ 33,618 *
Federal	315,542	230,791	546,333	517,473	(28,860)
Total Revenues	315,542	247,786	563,328	568,086	4,758
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	96,957	(6,057)	90,900	85,369	5,531
Purchased Prof/Tech Services		8,500	8,500	8,500	-
Other Purchased Services	178,208	(10,157)	168,051	168,051	-
General Supplies	10,349	119,904	130,253	120,603	9,650
Total Instruction	285,514	112,190	397,704	382,523	15,181
Support Services:					
Personal Services - Employee Benefits		37,770	37,770	34,173	3,597
Purchased Prof/Ed Services	30,028	2,210	32,238	26,215	6,023
Purchased Professional/Tech Services		41,859	41,859	39,950	1,909
Travel		4,505	4,505	2,355	2,150
Other Purchased Services		7,043	7,043	7,043	-
Supplies and Materials		42,209	42,209	42,209	-
Student Activities				28,681	(28,681) *
Total Support Services	30,028	135,596	165,624	180,626	(15,002)
Total Expenditures	315,542	247,786	563,328	563,149	179
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	4,937	4,937
Fund Balances, July 1	-	-	-	-	-
Prior Period Adjustment	-	-	-	78,298	78,298
Fund Balances, July 1 (Restated)	-	-	-	78,298	78,298
Fund Balances, June 30	\$ -	\$ -	\$ -	\$ 83,235	\$ 83,235
Recapitulation:					
Restricted:					
Student Activities				\$ 83,235	
Total Fund Balance				\$ 83,235	

\* Not required to budget for these funds

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

MONTVALE BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI  
 FISCAL YEAR ENDED JUNE 30, 2021

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

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 21,699,466	[C-2] \$ 568,086
 Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	70,239	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(73,987)	-
	(3,748)	-
Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ <u>21,695,718</u>	[B-2] \$ <u>568,086</u>
 <b>Uses/Outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 21,098,300	[C-2] \$ 563,149
 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 accounting purposes.		-
Transfers to and from other fund are presented as outflows of budgetary resources but are not expenditures for financial accounting purposes.		
Net Transfers (Outflows) to/from general fund.	-	-
	-	-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>21,098,300</u>	[B-2] \$ <u>563,149</u>

***REQUIRED SUPPLEMENTARY INFORMATION – PART III***

**SECTION L – DISTRICT’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR TPAF  
AND PERS AND DISTRICT’S PERS AND TPAF CONTRIBUTIONS**

*The schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.*

MONTVALE BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST EIGHT FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.0138346415%	0.0133497763%	0.0147522273%	0.0138829819%	0.0173456188%	0.0175276754%	0.0176664905%	0.0191804801%
School District's proportionate share of the net pension liability	\$ 2,256,068	\$ 2,405,427	\$ 2,904,640	\$ 3,231,736	\$ 5,137,275	\$ 3,934,612	\$ 3,307,650	\$ 3,665,771
School District's covered payroll (plan measurement period)	\$ 1,023,770	\$ 1,038,595	\$ 976,498	\$ 974,430	\$ 1,022,676	\$ 990,246	\$ 1,199,900	\$ 1,244,653
School District's proportionate share of the net pension liability as a percentage of it's covered employee payroll	220.37%	231.60%	297.45%	331.65%	502.34%	397.34%	275.66%	294.52%
Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.06%	46.72%

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

MONTVALE BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE SCHOOL DISTRICT CONTRIBUTIONS  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST EIGHT FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 151,344	\$ 130,361	\$ 147,447	\$ 130,504	\$ 155,021	\$ 150,691	\$ 145,640	\$ 144,521
Contributions in relation to the contractually required contribution	(151,344)	(130,361)	(147,447)	(130,504)	(155,021)	(150,691)	(145,640)	(144,521)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll (fiscal year)	\$ 1,023,770	\$ 1,038,595	\$ 976,498	\$ 974,430	\$ 1,022,676	\$ 990,246	\$ 1,199,900	\$ 1,244,653
Contributions as a percentage of covered employee payroll	14.78%	12.55%	15.10%	13.39%	15.16%	15.22%	12.14%	11.61%

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



MONTVALE BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHERS PENSION AND ANNUITY FUND  
 LAST EIGHT FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability attributable of the School District	0.0740505551%	0.0719121723%	0.0678346699%	0.0717746416%	0.0692681898%	0.0717339520%	0.0737889285%	0.0717339520%
State's proportionate share of the net pension liability attributable to the School District	\$ 48,761,400	\$ 44,133,179	\$ 43,154,960	\$ 48,393,051	\$ 54,490,768	\$ 45,339,921	\$ 39,437,761	\$ 45,338,921
School District's covered payroll (plan measurement period)	\$ 8,828,219	\$ 8,572,396	\$ 8,153,601	\$ 7,936,105	\$ 7,620,556	\$ 7,172,150	\$ 7,479,112	\$ 7,172,150
School District's proportionate share of the net pension liability as a percentage of it's covered employee payroll	552.34%	514.83%	529.27%	609.78%	715.05%	632.17%	527.31%	632.15%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	28.71%	33.64%	33.76%	28.71%

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

MONTVALE BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS  
 TEACHERS PENSION AND ANNUITY FUND  
 LAST EIGHT FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,678,006	\$ 1,445,897	\$ 1,025,424	\$ 805,966	\$ 551,651	\$ 385,518	\$ 313,447	\$ 454,488
Contributions in relation to the contractually required contribution	(204,229)	(116,245)	(135,099)	(97,245)	(81,163)	(62,450)	(221,465)	(233,223)
Contribution deficiency/(excess)	\$ 1,473,777	\$ 1,329,652	\$ 890,325	\$ 708,721	\$ 470,488	\$ 323,068	\$ 91,982	\$ 221,265
School District's covered payroll (fiscal year)	\$ 8,828,219	\$ 8,572,396	\$ 8,153,601	\$ 7,936,105	\$ 7,620,556	\$ 7,172,150	\$ 7,479,112	\$ 7,172,150
Contributions as a percentage of covered employees payroll	19.01%	16.87%	12.58%	10.16%	7.24%	5.38%	4.19%	6.34%

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

**SECTION M – DISTRICT’S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY FOR TPAF AND PERS**

*The schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.*

MONTVALE BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF TOTAL OPEB LIABILITY AND RELATED RATIOS  
 TEACHERS PENSION AND ANNUITY FUND AND PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST FIVE FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30,				
	2021	2020	2019	2018	2017
OPEB Liability at Beginning of Measurement Period	\$ 27,355,382	\$ 29,997,423	\$ 34,033,578	\$ 36,786,422	\$ -
Changes Recognized for the Fiscal Year:					
Service Cost	1,154,495	1,033,203	1,182,305	1,425,799	Not Available
Interest on Total OPEB Liability	984,810	1,185,268	1,246,989	1,078,305	Not Available
Effect on Changes of Benefit Terms	-	-	-	-	Not Available
Differences Between Expected and Actual Experience	7,633,869	(4,453,546)	(2,248,698)	-	Not Available
Effect on Changes of Assumptions	8,129,923	407,871	(3,442,354)	(4,497,685)	Not Available
Contributions from the Employees	23,485	24,892	27,723	29,027	Not Available
Gross Benefit Paid by the State	(774,833)	(839,729)	(802,120)	(788,290)	Not Available
Net Changes	17,151,749	(2,642,041)	(4,036,155)	(2,752,844)	-
OPEB Liability at the End of Measurement Period	\$ 44,507,131	\$ 27,355,382	\$ 29,997,423	\$ 34,033,578	\$ 36,786,422
School District's Covered Payroll	\$ 9,851,989	\$ 9,610,991	\$ 9,130,099	\$ 8,910,535	\$ 8,643,232
Total School District's OPEB Liability as a Percentage of Covered Employee Payroll	451.76%	284.63%	328.56%	381.95%	425.61%

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

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

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

**MONTVALE BOARD OF EDUCATION**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
FOR FISCAL YEAR ENDED JUNE 30, 2020

**NET PENSION LIABILITY (SCHEDULES L-1 AND L-2)**

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

**NET OPEB LIABILITY (SCHEDULE M-1)**

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

The discount rate changed from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

**MONTVALE BOARD OF EDUCATION**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
TEACHERS PENSION AND ANNUITY FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2020

**NET PENSION LIABILITY (SCHEDULES L-3 AND L-4)**

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020.

**NET OPEB LIABILITY (SCHEDULE M-1)**

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

The discount rate changed from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

***OTHER SUPPLEMENTARY INFORMATION***



**SECTION E – SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

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

MONTVALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

REVENUE SOURCES:	PTO Donations	BCUA Grant	Orange and Rockland Grant	ESSA Title I	ESSA Title III Immigrant	I.D.E.A. Part B
Local	\$ 15,000	\$ 1,000	\$ 995	\$ -	\$ -	\$ -
Federal				131,083	1,382	184,946
<b>Total Revenues</b>	<b>15,000</b>	<b>1,000</b>	<b>995</b>	<b>131,083</b>	<b>1,382</b>	<b>184,946</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers				78,632	286	6,451
Purchased Prof/Tech Services						168,051
Other Purchased Services	15,000	1,000	995	18,794	969	
General Supplies						
<b>Total Instruction</b>	<b>15,000</b>	<b>1,000</b>	<b>995</b>	<b>97,426</b>	<b>1,255</b>	<b>174,502</b>
Support Services:						
Personal Services - Employee Benefits				33,657	22	494
Purchased Prof/Ed Services						9,950
Purchased Professional Services					105	
Travel						
Other Purchased Services						
Supplies and Materials						
Student Activities						
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,657</b>	<b>127</b>	<b>10,444</b>
<b>Total Expenditures</b>	<b>15,000</b>	<b>1,000</b>	<b>995</b>	<b>131,083</b>	<b>1,382</b>	<b>184,946</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-
Fund Balance, July 1 (Restated)	-	-	-	-	-	-
Fund Balance, June 30	-	-	-	-	-	-

\* Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

MONTVALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	I.D.E.A. Preschool	ESSA Title II	Education Stabilization Fund (CARES Act)	Coronavirus Relief Fund Grant	Student Activities Fund	Grand Total
<b>REVENUE SOURCES:</b>						
Local	\$ -	\$ -	\$ -	\$ -	\$ 33,618	\$ 50,613
Federal	7,043	28,465	107,066	57,488		517,473
<b>Total Revenues</b>	<b>7,043</b>	<b>28,465</b>	<b>107,066</b>	<b>57,488</b>	<b>33,618</b>	<b>568,086</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers						85,369
Purchased Prof/Tech Services			8,500			8,500
Other Purchased Services			53,389	30,456		168,051
General Supplies						120,603
<b>Total Instruction</b>	<b>-</b>	<b>-</b>	<b>61,889</b>	<b>30,456</b>	<b>-</b>	<b>382,523</b>
Support Services:						
Personal Services - Employee Benefits						34,173
Purchased Prof/Ed Services		26,215				26,215
Purchased Professional Services			30,000			39,950
Travel		2,250				2,355
Other Purchased Services	7,043		15,177	27,032		7,043
Supplies and Materials						42,209
Student Activities					28,681	28,681
<b>Total Support Services</b>	<b>7,043</b>	<b>28,465</b>	<b>45,177</b>	<b>27,032</b>	<b>28,681</b>	<b>180,626</b>
<b>Total Expenditures</b>	<b>7,043</b>	<b>28,465</b>	<b>107,066</b>	<b>57,488</b>	<b>28,681</b>	<b>563,149</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	4,937	4,937
Fund Balance, July 1	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	78,298 *	78,298
Fund Balance, July 1 (Restated)	-	-	-	-	78,298	78,298
Fund Balance, June 30	-	-	-	-	83,235	83,235

\* Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

***SECTION F – CAPITAL PROJECTS FUND***

**MONTVALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2021</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Improvements to Fieldstone Middle School	4/19/2005	\$ 2,688,371	\$ 2,402,125	\$ 41,000	\$ 245,246
Improvements to Memorial Elementary School	4/19/2005	807,795.00	806,911.00	-	884
Fieldstone Middle School Sidewalks	3/14/2011	37,028.00	37,028.00	-	-
Fieldstone Middle School Roof	8/20/2014	414,875.00	414,875.00	-	-
Fieldstone Middle School Renovations	6/23/2014	793,821.00	783,601.00	-	10,220
Total Expenditures		<u>\$ 4,741,890</u>	<u>\$ 4,444,540</u>	<u>\$ 41,000</u>	<u>\$ 256,350</u>

**MONTVALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Revenues and Other Financing Sources:**

State Sources	\$ -
Bond Proceeds and Transfers	-
Contribution from Private Source	-
Transfer from Capital Reserve	-
Transfer from Capital Outlay	-
	<hr/>

**Total Revenues**


---

-

**Expenditures and Other Financing Uses:**

Purchased Professional and Technical Services	-
Land and Improvements	-
Construction Services	-
Equipment Purchases	-
Supplies and Miscellaneous Expenditures	-
Transfer to Fund 40	41,000
	<hr/>

**Total Expenditures**


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41,000

**Excess (Deficiency) of Revenues**

**Over (Under) Expenditures** (41,000)

**Fund Balance - Beginning**


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297,350

**Fund Balance - Ending**


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\$ 256,350

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**MONTVALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
IMPROVEMENTS TO FIELDSTONE MIDDLE SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Prior Periods	Current Period	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
State Sources - SCC Grant	\$ 829,248	\$ -	\$ 829,248	\$ 829,248
Bond Proceeds	1,859,123	-	1,859,123	1,859,763
Total Revenues and Other Financing Sources	2,688,371	-	2,688,371	2,689,011
<b>Expenditures and Other Financing Uses</b>				
Equipment	32,424	-	32,424	396,125
Other Purchased Professional and Technical Services	231,347	-	231,347	299,313
Construction Services	1,885,260	-	1,885,260	1,993,573
Transfer to Fund 40	253,094	41,000	294,094	-
Total Expenditures and Other Financial Uses	2,402,125	41,000	2,443,125	2,689,011
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 286,246</b>	<b>\$ (41,000)</b>	<b>\$ 245,246</b>	<b>\$ -</b>

**Additional Project Information:**

Project Number	SP3330-020-04-1000
Grant Date	4/19/2005
Bond Authorization Date	4/19/2005
Bonds Authorized	\$1,859,763
Bond Issued	\$1,859,763
Original Authorized Cost	\$3,132,938
Additional Authorized Cost (SDA Grant canceled)	(\$443,927)
Revised Authorized Cost	\$2,689,011
Percentage Increase Over Original Authorized Cost	-14.17%
Percentage Completion	89.33%
Original Target Completion Date	9/1/2006
Revised Target Completion Date	9/1/2006

**MONTVALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
IMPROVEMENTS TO MEMORIAL ELEMENTARY SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Prior Periods	Current Period	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
State Sources - SCC Grant	\$ 295,918	\$ -	\$ 295,918	\$ 295,918
Bond Proceeds	511,877	-	511,877	511,877
Total Revenues and Other Financing Sources	807,795	-	807,795	807,795
<b>Expenditures and Other Financing Uses</b>				
Equipment	11,886	-	11,886	88,650
Other Purchased Professional and Technical Services	74,045	-	74,045	78,145
Construction Services	720,980	-	720,980	641,000
Total Expenditures and Other Financial Uses	806,911	-	806,911	807,795
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ 884</u>	<u>\$ -</u>	<u>\$ 884</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	SP3330-030-04-1000
Grant Date	4/19/2005
Bond Authorization Date	4/19/2005
Bonds Authorized	\$511,877
Bond Issued	\$511,877
Original Authorized Cost	\$807,796
Additional Authorized Cost	\$0
Revised Authorized Cost	\$807,795
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	99.89%
Original Target Completion Date	9/1/2006
Revised Target Completion Date	9/1/2006



**MONTVALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FIELDSTONE MIDDLE SCHOOL SIDEWALKS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Prior Periods	Current Period	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
State Sources - SCC Grant	\$ 14,811	\$ -	\$ 14,811	\$ 33,298
Transfer from capital reserve	21,128	-	21,128	21,128
Transfer from capital outlay	1,089	-	1,089	1,089
<b>Total Revenues and Other Financing Sources</b>	<b>37,028</b>	<b>-</b>	<b>37,028</b>	<b>55,515</b>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	7,043	-	7,043	7,043
Construction Services	29,985	-	29,985	48,472
<b>Total Expenditures and Other Financial Uses</b>	<b>37,028</b>	<b>-</b>	<b>37,028</b>	<b>55,515</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Additional Project Information:**

Project Number	3330-020-10-GOLG
Grant Date	3/14/2011
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bond Issued	N/A
Original Authorized Cost	\$56,604
Additional Authorized Cost	(\$1,089)
Revised Authorized Cost	\$55,515
Percentage Increase Over Original Authorized Cost	-1.92%
Percentage Completion	66.70%
Original Target Completion Date	12/31/2010
Revised Target Completion Date	12/31/2010

**MONTVALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FIELDSTONE MIDDLE SCHOOL ROOF  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Prior Periods	Current Period	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
State Sources - SCC Grant	\$ 155,070	\$ -	\$ 155,070	\$ 155,070
Transfer from capital outlay	259,805	-	259,805	259,805
Total Revenues and Other Financing Sources	414,875	-	414,875	414,875
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	29,875	-	29,875	29,875
Construction Services	385,000	-	385,000	385,000
Total Expenditures and Other Financial Uses	414,875	-	414,875	414,875
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Additional Project Information:**

Project Number	3330-020-14-G1FC
Grant Date	8/20/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bond Issued	N/A
Original Authorized Cost	\$414,875
Additional Authorized Cost	\$0
Revised Authorized Cost	\$414,875
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	12/31/2014
Revised Target Completion Date	12/31/2014

**MONTVALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FIELDSTONE MIDDLE SCHOOL RENOVATIONS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Prior Periods	Current Period	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
Transfer from capital outlay	\$ 793,821	\$ -	\$ 793,821	\$ 793,821
Total Revenues and Other Financing Sources	793,821	-	793,821	793,821
<b>Expenditures and Other Financing Uses</b>				
Construction Services	783,601	-	783,601	793,821
Total Expenditures and Other Financial Uses	783,601	-	783,601	793,821
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 10,220</b>	<b>\$ -</b>	<b>\$ 10,220</b>	<b>\$ -</b>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bond Issued	N/A
Original Authorized Cost	\$704,000
Additional Authorized Cost	\$89,821
Revised Authorized Cost	\$793,821
Percentage Increase Over Original Authorized Cost	12.76%
Percentage Completion	98.71%
Original Target Completion Date	9/1/2015
Revised Target Completion Date	9/1/2015

**SECTION G – PROPRIETARY FUND  
DETAIL STATEMENTS**

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

*Food Services Fund – The fund provides for the operation of food services in all schools within the school district.*

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

***SECTION I – LONG-TERM DEBT SCHEDULES***

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

**MONTVALE BOARD OF EDUCATION  
LONG TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2020	Issued	Retired	Balance June 30, 2021
			Date	Amount					
Additions and Renovations to Schools	5/15/2001	\$ 5,983,000		\$ -	4.875%	\$ 393,000	\$ -	\$ 393,000	\$ -
Additions and Renovations to School	11/15/2006	2,371,000	11/15/2021	145,000	4.000%	1,031,000	-	140,000	891,000
			11/15/2022-2024	150,000	4.000%				
			11/15/2025	150,000	4.050%				
Total			11/15/2026	146,000	4.050%				
						\$ 1,424,000	\$ -	\$ 533,000	\$ 891,000

**MONTVALE BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 549,747	\$ -	\$ 549,747	\$ 549,747	\$ -
<b>Total Revenues</b>	<b>549,747</b>	<b>-</b>	<b>549,747</b>	<b>549,747</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Debt Service - Regular:					
Interest	57,747		57,747	57,747	-
Redemption of Principal	533,000		533,000	533,000	-
<b>Total Expenditures</b>	<b>590,747</b>	<b>-</b>	<b>590,747</b>	<b>590,747</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,000)	-	(41,000)	(41,000)	-
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers In:					
Unexpended Balance Transferred from Capital Projects Fund	41,000		41,000	41,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>41,000</b>	<b>-</b>	<b>41,000</b>	<b>41,000</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
<b>Fund Balance, July 1</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>
<b>Fund Balance, June 30</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:</b>					
Budgeted Fund Balance	\$ 1	\$ -	\$ 1	\$ 1	\$ -

***STATISTICAL SECTION (UNAUDITED)***

***GASB requires that ten years of statistical data be presented. The following information is presented utilizing information available. Each year thereafter, an additional year's data will be included until ten years of data is presented.***



## **Contents**

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning that year.*

***FINANCIAL TRENDS***

MONTVALE BOARD OF EDUCATION  
NET ASSETS/POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
*(accrual basis of accounting)*  
UNAUDITED

	Fiscal Year Ending June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Governmental Activities</b>										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt	\$ 25,640,302	\$ 8,178,385	\$ 7,648,149	\$ 7,134,290	\$ 8,759,037	\$ 7,971,026	\$ 7,178,847	\$ 6,300,814	\$ 5,723,288	\$ 5,308,609
Restricted	4,125,695	3,371,838	2,941,885	2,688,599	2,387,052	2,384,792	2,136,972	2,082,767	1,240,206	1,414,892
Unrestricted	(2,951,452)	(3,077,166)	(3,342,208)	(3,587,412)	(3,656,777)	(3,457,997)	(3,379,359)	305,917	284,068	252,624
<b>Total Governmental Activities Net Assets/Position</b>	<b>\$ 26,814,545</b>	<b>\$ 8,473,057</b>	<b>\$ 7,247,826</b>	<b>\$ 6,235,477</b>	<b>\$ 7,489,312</b>	<b>\$ 6,897,821</b>	<b>\$ 5,936,460</b>	<b>\$ 8,689,498</b>	<b>\$ 7,247,562</b>	<b>\$ 6,976,125</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt	\$ 7,866	\$ 14,684	\$ 10,007	\$ 3,826	\$ 4,304	\$ 5,334	\$ 6,365	\$ 1,658	\$ 2,314	\$ 3,546
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	106,837	221,716	246,548	211,414	192,721	155,878	157,527	146,641	84,729	10,269
<b>Total Business-Type Activities Net Assets/Position</b>	<b>\$ 114,703</b>	<b>\$ 236,400</b>	<b>\$ 256,555</b>	<b>\$ 215,240</b>	<b>\$ 197,025</b>	<b>\$ 161,212</b>	<b>\$ 163,892</b>	<b>\$ 148,299</b>	<b>\$ 87,043</b>	<b>\$ 13,815</b>
<b>District-wide</b>										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt	\$ 25,648,168	\$ 8,193,069	\$ 7,658,156	\$ 7,138,116	\$ 8,763,341	\$ 7,976,360	\$ 7,185,212	\$ 6,302,472	\$ 5,725,602	\$ 5,312,155
Restricted	4,125,695	3,371,838	2,941,885	2,688,599	2,387,052	2,384,792	2,136,972	2,082,767	1,240,206	1,414,892
Unrestricted	(2,844,615)	(2,855,450)	(3,095,660)	(3,375,998)	(3,464,056)	(3,302,119)	(3,221,832)	452,558	368,797	262,893
<b>Total District-wide Net Assets/Position</b>	<b>\$ 26,929,248</b>	<b>\$ 8,709,457</b>	<b>\$ 7,504,381</b>	<b>\$ 6,450,717</b>	<b>\$ 7,686,337</b>	<b>\$ 7,059,033</b>	<b>\$ 6,100,352</b>	<b>\$ 8,837,797</b>	<b>\$ 7,334,605</b>	<b>\$ 6,989,940</b>

Source: District records

MONTVALE BOARD OF EDUCATION  
CHANGES IN NET ASSETS/POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)  
UNAUDITED

	Fiscal Year Ending June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 6,804,540	\$ 9,698,002	\$ 10,982,606	\$ 10,604,325	\$ 8,446,916	\$ 8,165,031	\$ 7,854,093	\$ 7,795,632	\$ 7,804,035	\$ 7,526,169
Special Education	1,652,514	2,761,024	2,377,268	2,197,391	1,374,560	1,340,348	1,368,521	1,313,863	1,283,259	1,294,536
Other Special Education	257,620	-	-	-	-	-	-	-	-	-
Other Instruction	23,021	995,947	1,086,365	942,082	736,760	705,541	749,564	697,993	695,310	622,147
Support Services:										
Tuition	894,418	887,915	875,784	641,829	615,711	591,177	635,545	647,843	566,994	568,631
Student and Instruction Related Services	2,127,052	3,042,321	3,355,670	3,289,853	2,474,224	2,207,522	2,309,958	2,308,636	2,381,080	2,184,079
School Administrative Services	716,025	1,197,268	1,272,784	1,223,985	902,377	947,117	988,005	934,230	976,945	883,298
General and Business Administration Services	9,160,116	1,343,012	1,448,188	1,421,097	1,050,741	967,914	968,212	979,626	920,060	945,242
Plant Operations and Maintenance	1,358,973	1,419,358	1,483,396	1,506,275	1,488,495	1,383,353	1,346,860	1,303,117	1,279,130	1,334,007
Pupil Transportation	558,349	473,310	554,188	512,279	468,470	446,781	414,043	460,190	460,017	435,242
Capital Outlay	346,231	-	-	-	-	-	-	-	-	-
SDA Debt Service Assessment	63,237	28,393	28,393	28,393	28,393	28,393	28,393	28,393	28,393	20,689
Interest on Long-Term Debt	6,210	79,208	103,119	126,342	148,878	170,651	191,612	211,525	230,709	248,803
Unallocated Depreciation	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	23,968,306	21,925,758	23,567,761	22,493,851	17,735,525	16,953,828	16,855,206	16,681,048	16,625,932	16,062,843
Business-Type Activities:										
Milk Program	1,576	6,284	11,533	9,662	15,601	18,374	16,532	20,787	20,114	19,963
Extended School Year Program	-	21,863	16,625	17,865	20,808	21,149	23,853	21,085	33,961	29,065
Child Care	176,459	310,224	395,537	376,617	376,409	385,765	385,950	320,844	307,334	-
Safetytown	-	-	-	3,920	3,120	2,800	2,665	2,340	1,820	1,950
Total Business-Type Activities Expenses	178,035	338,371	423,695	408,064	415,938	428,088	429,000	365,056	363,229	50,978
Total District Expenses	\$ 24,146,341	\$ 22,264,129	\$ 23,991,456	\$ 22,901,915	\$ 18,151,463	\$ 17,381,916	\$ 17,284,206	\$ 17,046,104	\$ 16,989,161	\$ 16,113,821
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services	\$ 52,353	\$ 134,144	\$ 146,371	\$ 173,837	\$ 187,052	\$ 206,705	\$ 229,701	\$ 253,369	\$ 270,903	\$ 289,681
Operating Grants and Contributions	756,505	5,916,416	7,639,873	7,418,383	2,234,038	2,149,352	2,021,639	2,242,307	2,387,734	1,942,517
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	808,858	6,050,560	7,786,244	7,592,220	2,421,090	2,356,057	2,251,340	2,495,676	2,658,637	2,232,198
Business-Type Activities:										
Charges for Services	61,580	314,652	459,440	419,527	444,108	416,843	432,654	415,877	425,525	43,301
Operating Grants and Contributions	-	3,564	5,571	6,752	7,642	8,565	11,911	10,379	10,867	13,506
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	61,580	318,216	465,011	426,279	451,750	425,408	444,565	426,256	436,392	56,807
Total District Program Revenues	\$ 870,438	\$ 6,368,776	\$ 8,251,255	\$ 8,018,499	\$ 2,872,840	\$ 2,781,465	\$ 2,695,905	\$ 2,921,932	\$ 3,095,029	\$ 2,289,005
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (23,159,448)	\$ (15,875,198)	\$ (15,781,517)	\$ (14,901,631)	\$ (15,314,435)	\$ (14,597,771)	\$ (14,603,866)	\$ (14,185,372)	\$ (13,967,295)	\$ (13,830,645)
Business-Type Activities	(116,455)	(20,155)	41,316	18,215	35,812	(2,680)	15,565	61,200	73,163	5,829
Total District-wide Net Expense	\$ (23,275,903)	\$ (15,895,353)	\$ (15,740,201)	\$ (14,883,416)	\$ (15,278,623)	\$ (14,600,451)	\$ (14,588,301)	\$ (14,124,172)	\$ (13,894,132)	\$ (13,824,816)

MONTVALE BOARD OF EDUCATION  
CHANGES IN NET ASSETS/POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)  
UNAUDITED

	Fiscal Year Ending June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Revenues and Other Changes in Net Assets/Position</b>										
Governmental Activities:										
Property Taxes Levied For:										
General Purposes	\$ 16,983,838	\$ 16,378,134	\$ 16,037,355	\$ 15,495,446	\$ 15,191,614	\$ 14,893,610	\$ 14,600,284	\$ 14,314,134	\$ 13,731,199	\$ 13,461,468
Debt Service	549,747	498,049	482,965	467,880	452,794	432,683	417,197	402,170	387,376	362,231
Federal and State Aid Not Restricted	6,733,885	13,601	19,948	(355,057)	47,974	37,096	37,681	16,355	16,633	26,909
Tuition Revenue	14,125	44,372	68,822	51,493	57,723	61,593	57,281	65,935	36,054	46,145
Investment Earnings	3,473	56,878	76,237	39,694	17,818	9,836	3,128	2,974	2,171	4,419
Miscellaneous Income	20,097	96,438	108,538	115,927	138,004	124,315	101,438	825,740	65,300	66,696
NJ Economic Development Authority Grants				(18,487)			155,070			
Donated Capital Assets				(2,149,099)						
<b>Total Governmental Activities</b>	<b>24,305,165</b>	<b>17,087,472</b>	<b>16,793,865</b>	<b>13,647,797</b>	<b>15,905,927</b>	<b>15,559,133</b>	<b>15,372,079</b>	<b>15,627,308</b>	<b>14,238,733</b>	<b>13,967,868</b>
Business-Type Activities:										
Investment Earnings							28	56	65	41
<b>Total Business-Type Activities</b>							28	56	65	41
<b>Total District-wide</b>	<b>\$ 24,305,165</b>	<b>\$ 17,087,472</b>	<b>\$ 16,793,865</b>	<b>\$ 13,647,797</b>	<b>\$ 15,905,927</b>	<b>\$ 15,559,133</b>	<b>\$ 15,372,107</b>	<b>\$ 15,627,364</b>	<b>\$ 14,238,798</b>	<b>\$ 13,967,909</b>
<b>Change in Net Assets/Position</b>										
Governmental Activities	\$ 1,145,717	\$ 1,212,274	\$ 1,012,348	\$ (1,253,834)	\$ 591,492	\$ 961,362	\$ 768,213	\$ 1,441,936	\$ 271,438	\$ 137,223
Business-Type Activities	(116,455)	(20,155)	41,316	18,215	35,812	(2,680)	15,593	61,256	73,228	5,870
<b>Total District</b>	<b>\$ 1,029,262</b>	<b>\$ 1,192,119</b>	<b>\$ 1,053,664</b>	<b>\$ (1,235,619)</b>	<b>\$ 627,304</b>	<b>\$ 958,682</b>	<b>\$ 783,806</b>	<b>\$ 1,503,192</b>	<b>\$ 344,666</b>	<b>\$ 143,093</b>

Source: District records

MONTVALE BOARD OF EDUCATION  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)  
 UNAUDITED

	Fiscal Year Ending June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Restricted	\$ 3,799,167	\$ 2,966,935	\$ 2,513,179	\$ 2,293,241	\$ 1,852,195	\$ 1,730,357	\$ 1,133,823	\$ 852,874	\$ 699,755	\$ 740,572
Assigned	116,848	259,887	257,697	17,043	239,250	327,217	188,303	275,566	275,881	388,874
Unassigned	471,968	389,305	375,313	443,974	316,048	302,459	336,196	376,762	334,635	285,929
<b>Total General Fund</b>	<b>\$ 4,387,983</b>	<b>\$ 3,616,127</b>	<b>\$ 3,146,189</b>	<b>\$ 2,754,258</b>	<b>\$ 2,407,493</b>	<b>\$ 2,360,033</b>	<b>\$ 1,658,322</b>	<b>\$ 1,505,202</b>	<b>\$ 1,310,271</b>	<b>\$ 1,415,375</b>
All Other Governmental Funds										
Restricted	\$ 339,586	\$ 297,351	\$ 327,353	\$ 357,354	\$ 397,846	\$ 427,846	\$ 456,879	\$ 1,190,980	\$ 515,584	\$ 549,375
Assigned				34,547	43,630	43,630	504,908			17,170
Reserved										
<b>Total All Other Governmental Funds</b>	<b>\$ 339,586</b>	<b>\$ 297,351</b>	<b>\$ 327,353</b>	<b>\$ 391,901</b>	<b>\$ 441,476</b>	<b>\$ 471,476</b>	<b>\$ 961,787</b>	<b>\$ 1,190,980</b>	<b>\$ 515,584</b>	<b>\$ 566,545</b>

Source: District records

MONTVALE BOARD OF EDUCATION  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)  
UNAUDITED

Fiscal Year Ending June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues:</b>										
Local Sources:										
Local Tax Levy	\$ 17,533,585	\$ 16,955,391	\$ 16,623,439	\$ 16,089,668	\$ 15,793,286	\$ 15,496,944	\$ 15,209,093	\$ 14,927,829	\$ 14,349,284	\$ 14,072,502
Tuition (LEA's, Individuals, and Other)	14,125	44,372	68,822	51,493	57,723	61,593	57,281	65,935	36,054	46,145
Transportation Fees - Other LEAs	18,735	54,936	43,252	47,495	38,174	36,054	38,089	41,844	40,194	40,878
Interest in Investments	3,373	56,878	76,237	39,694	17,818	9,836	3,128	2,974	2,171	4,419
Miscellaneous	53,715	96,438	108,538	161,927	158,976	124,954	101,438	825,740	65,300	70,089
State Sources	4,649,597	3,836,164	3,556,521	2,878,737	1,899,459	1,855,049	1,851,153	2,049,721	2,162,395	1,712,968
Federal Sources	540,321	388,064	334,007	346,104	361,581	330,759	208,166	208,941	241,972	253,066
Total Revenues	22,813,451	21,432,243	20,810,816	19,715,118	18,327,017	17,915,189	17,488,348	18,122,984	16,887,370	16,200,067
<b>Expenditures:</b>										
Instruction:										
Regular	6,553,107	5,772,689	5,823,083	5,721,066	5,788,666	5,731,156	5,514,370	5,348,312	5,343,583	5,251,404
Special Education	1,652,514	1,707,639	1,305,695	1,245,156	971,921	973,669	988,696	927,105	914,286	942,331
Other Instruction	23,021	587,203	569,883	502,058	513,367	504,587	535,081	484,947	487,712	439,768
Support Services:										
Tuition	894,418	887,915	875,784	641,829	615,711	591,177	635,545	647,843	566,994	568,631
Student and Instructional Related Services	2,120,239	2,023,568	2,014,107	2,008,573	1,912,710	1,736,723	1,787,221	1,782,336	1,839,029	1,664,312
School Administrative Services	715,345	710,878	668,558	654,314	631,656	685,127	681,071	651,185	683,432	626,154
General and Business Administration Services	808,704	843,056	800,543	821,370	757,449	714,891	710,056	714,533	674,138	701,787
Plant Operations and Maintenance	1,348,305	1,239,667	1,269,430	1,290,973	1,345,393	1,235,907	1,126,691	1,058,054	1,039,699	1,079,434
Pupil Transportation	558,349	467,100	546,204	505,249	464,443	444,582	411,570	457,933	457,825	433,262
Employee Benefits	6,233,719	5,805,482	5,652,547	5,028,727	3,914,290	3,683,365	3,812,348	3,981,660	4,001,750	3,733,149
Capital Outlay	496,108	352,810	341,514	355,905	762,279	769,271	857,932	554,465	396,902	92,113
Debt Service:										
Interest and Other Charges	57,747	82,259	106,084	129,222	151,672	173,334	194,209	213,984	233,084	251,034
Principal	533,000	525,000	510,000	495,000	480,000	460,000	445,000	430,000	415,000	390,000
Total Expenditures	22,252,196	21,005,266	20,483,432	19,399,442	18,309,552	17,703,789	17,699,790	17,252,357	17,053,434	16,173,379
Excess (Deficiency) of Revenues Over (Under) Expenditures	561,255	426,977	327,384	315,676	17,460	211,400	(231,442)	870,627	(156,064)	26,688
<b>Other Financing Sources (Uses):</b>										
Proceeds from borrowing										
NI Economic Development Authority Grants				(18,487)			155,070			
Transfers In	41,000	36,801	35,878	49,314	37,489	33,124	356,630	758,560	30,400	30,290
Transfers Out	(41,000)	(36,801)	(35,878)	(49,314)	(37,489)	(33,124)	(356,630)	(758,560)	(30,400)	(30,290)
Total Other Financing Sources (Uses)	-	-	-	(18,487)	(37,489)	(33,124)	155,070	-	-	-
Net Change in Fund Balance	\$ 561,255	\$ 426,977	\$ 327,384	\$ 297,189	\$ 17,460	\$ 211,400	\$ (76,372)	\$ 870,627	\$ (156,064)	\$ 26,688
Debt service as a percentage of noncapital expenditures	2.72%	2.94%	3.06%	3.28%	3.60%	3.74%	3.80%	3.86%	3.89%	3.99%
<b>Source: District records</b>										

Note: Noncapital expenditures are total expenditures less capital outlay.  
Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.  
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

**MONTVALE BOARD OF EDUCATION**  
**GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*  
 UNAUDITED

Fiscal Year Ending June 30,	Tuition	Miscellaneous		Interest on Investments	Transportation		Annual Total
		Revenue	Revenue		Fees - Other LEA's	Total	
2021	\$ 14,125	\$ 3,202	\$	3,473	\$ 18,735	\$	39,535
2020	44,372	91,709		56,878	54,935		247,894
2019	68,822	107,548		76,237	43,252		295,858
2018	51,493	120,154		39,694	47,494		258,835
2017	57,723	138,004		17,818	38,174		251,719
2016	61,593	214,315		9,836	36,053		321,797
2015	57,281	101,438		3,128	38,089		199,935
2014	65,935	778,437		2,274	41,844		888,490
2013	36,054	65,300		1,770	40,194		143,318
2012	46,145	66,696		4,129	40,878		157,849

Source: District records



*REVENUE CAPACITY*

MONTVALE BOARD OF EDUCATION  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 UNAUDITED

Year Ended December 31,	Total Assessed Value										Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Value							
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	0.873			
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	2,269,648,489	0.873			
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			
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			
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	2,174,371,160	0.778			
2015	20,081,500	1,398,517,686	1,971,500	609,601,400	11,044,100	17,653,000	2,053,869,186	2,292,619	2,056,161,805	2,261,833,469	0.747			
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			
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			
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			
2011	4,391,100	1,711,031,500	2,283,600	587,625,400	11,339,100	18,753,000	2,335,423,700	2,961,081	2,338,384,781	2,300,568,569	0.587			

(1) Revaluation effective

Source: Municipal Tax Assessor

MONTVALE BOARD OF EDUCATION  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS  
*(rate per \$100 of assessed value)*  
 UNAUDITED

Year Ended December 31,	School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	(From J-6) Total Direct School Tax Rate	Municipality	Regional School	County	
2020	0.843	0.030	0.873	0.554	0.701	0.278	2.406
2019	0.843	0.030	0.873	0.557	0.676	0.257	2.363
2018	0.817	0.030	0.847	0.559	0.663	0.265	2.334
2017	0.741	0.031	0.772	0.604	0.656	0.271	2.303
2016	0.747	0.031	0.778	0.590	0.630	0.262	2.260
2015	0.716	0.031	0.747	0.580	0.609	0.265	2.201
2014	0.718	0.032	0.750	0.577	0.590	0.264	2.181
2013	0.697	0.032	0.729	0.560	0.561	0.247	2.097
2012	0.572	0.027	0.599	0.457	0.460	0.210	1.726
2011	0.560	0.027	0.587	0.448	0.444	0.202	1.681

(1) Revaluation effective

Source: Municipal Tax Collector

MONTVALE BOARD OF EDUCATION  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND NINE YEARS AGO  
 UNAUDITED

Taxpayer	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%		<b>Not Available</b>
Benjamin Moor & 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%		
Wstern Union Financial Services Inc.	12,500,000	0.61%		
<b>Total</b>	<b>\$ 232,572,000</b>	<b>11.32%</b>	<b>\$ -</b>	<b>\$ -</b>

**Source:** Municipal Tax Assessor

MONTVALE BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal year of the Levy <sup>a</sup>		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2020	\$ 49,928,858	\$ 49,605,358	99.35%	N/A	\$ 49,605,358	99.35%
2019	48,479,680	48,046,233	99.11%	N/A	48,046,233	99.11%
2018	48,310,658	48,069,471	99.50%	\$ 239,398	48,308,869	100.00%
2017	47,695,925	47,444,621	99.47%	241,187	47,685,808	99.98%
2016	47,142,888	46,325,189	98.27%	251,304	46,576,493	98.80%
2015	45,649,731	45,255,293	99.14%	227,497	45,482,790	99.63%
2014	44,886,245	44,616,258	99.40%	247,461	44,863,719	99.95%
2013	42,207,847	41,812,770	99.06%	364,103	42,176,873	99.93%
2012	41,257,864	40,557,327	98.30%	587,019	41,144,346	99.72%
2011	40,227,047	39,638,195	98.54%	247,685	39,885,880	99.15%

Source: Municipal Tax Collector

N/A At the time of ACFR completion, this data was not yet available

*DEBT CAPACITY*

MONTVALE BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities				Bond		Business-Type Activities		Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Loans	Capital Leases	Anticipation Notes (BANS)	Capital Leases	Total District	Percentage of Personal Income			
2021	\$ 891,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	891,000	0.17%	\$ 104	
2020	1,424,000	-	-	-	-	-	-	1,424,000	0.25%	166	
2019	1,949,000	-	-	-	-	-	-	1,949,000	0.40%	228	
2018	2,459,000	-	-	-	-	-	-	2,459,000	0.52%	287	
2017	2,954,000	-	-	-	-	-	-	2,954,000	0.67%	351	
2016	3,434,000	-	-	-	-	-	-	3,434,000	0.87%	412	
2015	3,894,000	-	-	-	-	-	-	3,894,000	0.97%	474	
2014	4,339,000	-	-	-	-	-	-	4,339,000	1.06%	534	
2013	4,769,000	-	-	-	-	-	-	4,769,000	1.12%	592	
2012	5,184,000	-	-	-	-	-	-	5,184,000	1.20%	652	

MONTVALE BOARD OF EDUCATION  
 RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
 LAST TEN FISCAL YEARS

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		
2021	\$ 891,000	\$ -	\$ 891,000	0.00%	104
2020	1,424,000	-	1,424,000	0.06%	166
2019	1,949,000	-	1,949,000	0.09%	228
2018	2,459,000	-	2,459,000	0.11%	287
2017	2,954,000	-	2,954,000	0.13%	351
2016	3,434,000	-	3,434,000	0.16%	412
2015	3,894,000	-	3,894,000	0.17%	474
2014	4,339,000	-	4,339,000	0.19%	534
2013	4,769,000	-	4,769,000	0.22%	592
2012	5,184,000	-	5,184,000	0.22%	652



MONTVALE BOARD OF EDUCATION  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF DECEMBER 31, 2020  
 UNAUDITED

Net Direct Debt of School District As of December 31, 2020	\$ 1,284,640
Net Overlapping Debt of School District:	
Borough of Montvale (100%)	12,511,130
Regional School District	3,954,903
County of Bergen - Borough share	
\$855,378,427.00 at December 31, 2019 (1.260%)	
Bergen County Utilities Authority (Water Pollution) -	
Borough's share of \$132,517,773 at December 31, 2020 (1.224%)	
	1,421,888
Total Direct and Overlapping Bonded Debt As of December 31, 2020	\$ 38,668,336

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

MONTVALE BOARD OF EDUCATION  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS  
 UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2021

Equalized Valuation Basis	
2018	\$ 2,277,588,300
2019	2,375,762,912
2020	2,336,053,604
	<u>\$ 6,989,404,816</u>
Average Equalized Valuation of Taxable Property	\$ 2,329,801,605
Debt Limit (3% of Average Equalization Value)	69,894,048
Total Net Debt Applicable To Limit	891,000
Legal Debt Margin	<u>\$ 69,003,048</u>

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 69,003,048	\$ 69,426,648	\$ 68,529,352	\$ 67,598,470	\$ 66,708,536	\$ 66,483,583	\$ 67,803,375	\$ 68,501,499	\$ 68,572,890	\$ 67,564,102
Total Net Debt Applicable to Limit	891,000	1,424,000	1,949,000	2,459,000	2,954,000	3,434,000	3,894,000	4,339,000	4,769,000	5,184,000
Legal Debt Margin	<u>\$ 68,112,048</u>	<u>\$ 68,002,648</u>	<u>\$ 66,580,352</u>	<u>\$ 65,139,470</u>	<u>\$ 63,754,536</u>	<u>\$ 63,049,583</u>	<u>\$ 63,909,375</u>	<u>\$ 64,162,499</u>	<u>\$ 63,803,890</u>	<u>\$ 62,380,102</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	1.29%	2.84%	3.64%	4.43%	5.17%	5.74%	6.33%	0.00%	6.95%	7.67%

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

***DEMOGRAPHIC AND ECONOMIC INFORMATION***

MONTVALE BOARD OF EDUCATION  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS  
 UNAUDITED

Year	Population	Per Capita		Unemployment Rate
		Personal Income	Personal Income	
2020	8,580	\$ 524,169,360	\$ 61,092	8.1%
2019	8,571	578,859,627	67,537	2.5%
2018	8,566	489,812,446	57,181	3.1%
2017	8,576	470,299,264	54,839	3.7%
2016	8,410	440,145,760	52,336	4.0%
2015	8,333	394,459,221	47,337	3.9%
2014	8,217	403,175,322	49,066	4.7%
2013	8,128	409,293,568	50,356	5.7%
2012	8,057	425,055,092	52,756	6.0%
2011	7,949	433,331,786	54,514	6.2%

**Source:**

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

\* Estimated

**N/A** At the time of ACFR completion, this data was not yet available



***OPERATING INFORMATION***

MONTVALE BOARD OF EDUCATION  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS  
 UNAUDITED

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction										
Regular	73.00	71.00	73.00	72.30	66.50	69.00	68.50	68.00	69.00	70.00
Special Education	49.00	48.50	44.00	42.00	40.50	33.70	33.70	33.20	33.00	32.00
Other Instruction	2.00	4.00	4.00	4.50	7.00	12.50	12.70	12.70	12.70	12.20
Support Services:										
Student and Instruction Related Services	7.00	8.00	7.00	7.00	8.00	8.14	8.14	7.57	7.57	7.57
School Administrative Services	8.00	8.00	8.00	8.00	8.00	8.88	8.88	8.88	8.88	8.38
General and Business Administration Services	4.50	4.50	4.50	4.50	4.50	3.98	3.98	3.98	3.98	3.98
Central Services	3.50	3.50	3.50	3.50	3.50	2.00	2.00	2.00	2.00	2.00
Administrative Information Technology	2.00	2.00	2.00	2.00	2.00	0.50	0.50	0.50	0.50	0.50
Plant Operations and Maintenance	3.00	3.00	3.00	3.00	4.00	11.70	11.70	11.70	11.70	12.50
<b>Total</b>	<b>152.00</b>	<b>152.50</b>	<b>149.00</b>	<b>146.80</b>	<b>144.00</b>	<b>150.40</b>	<b>150.10</b>	<b>148.53</b>	<b>149.33</b>	<b>149.13</b>

**Source:** District Personnel Records

**N/A** At the time of ACFR completion, this data was not yet available

MONTVALE BOARD OF EDUCATION  
 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)	Percent Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2021	942.0	\$ 21,165,341	\$ 22,469	9.33%	98.5	1:9	1:10	929.02	905.37	-6.23%	97.45%
2020	984.0	20,045,197	20,371	0.36%	98	1:10.5	1:9.7	986.9	958.6	1.77%	97.13%
2019	962.0	19,525,834	20,297	8.33%	97	1:10.3	1:9.5	969.4	932.3	-2.82%	96.17%
2018	990.0	18,419,315	18,605	8.44%	94	1:11.5	1:9.7	996.7	956.1	0.00%	95.93%
2017	993.0	16,915,606	17,035	4.47%	95	1:11.2	1:9.7	996.7	959.5	-0.44%	96.27%
2016	1,001.7	16,301,184	16,274	0.72%	95	1:9.8	1:11.2	1,001.1	967.7	-4.97%	96.66%
2015	1,056.0	17,060,581	16,156	4.73%	95	1:11.2	1:10.0	1,050.9	1,015.6	-2.58%	96.64%
2014	1,043.0	16,053,908	15,392	3.25%	94	1:11.4	1:10.8	1,078.0	1,041.2	0.08%	96.59%
2013	1,075.0	16,008,448	14,892	3.64%	95	1:11.4	1:11.2	1,077.1	1,040.4	-1.10%	96.59%
2012	1,076.0	15,440,232	14,350	6.08%	96	1:11.9	1:10.5	1,089.0	1,056.2	-0.37%	96.99%

Sources: District records

Note: Enrollment based on annual October district count.

N/A At the time of ACFR completion, this data was not yet available



MONTVALE BOARD OF EDUCATION  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b><u>District Building</u></b>										
<b><u>Elementary School</u></b>										
<b>Memorial Elementary (1954, 1962, 1983, 2000)</b>										
Square Feet	85,098	85,098	85,098	85,098	85,098	85,098	85,098	85,098	85,098	85,098
Capacity (students)	584	584	584	584	584	584	584	584	584	584
Enrollment	483	518	520	541	526	530	559	552	548	594
<b><u>Middle School</u></b>										
<b>Fieldstone Middle School (1966)</b>										
Square Feet	89,640	89,640	89,640	89,640	89,640	89,640	89,640	89,640	89,640	89,640
Capacity (students)	475	475	475	475	475	475	475	475	475	475
Enrollment	452	469	449	454	467	474	497	491	509	482

Number of Schools at June 30, 2021

- 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.

N/A At the time of ACFR completion, this data was not yet available

MONTVALE BOARD OF EDUCATION  
 SCHEDULE OF REQUIRED MAINTENANCE  
 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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Memorial Elementary School	SP-3330-030-04-1000 SP-3330-030-09-1002	85,098	\$ 1,036,382	\$ 96,168	\$ 100,267	\$ 113,595	\$ 137,804	\$ 108,937	\$ 88,853	\$ 99,957	\$ 78,016	\$ 103,517	\$ 109,268
Fieldstone Middle School	SP-3330-020-04-1000 SP-3330-020-09-1001 SP-3330-020-10-1001	89,640	1,038,404	100,590	80,227	124,557	112,022	133,856	100,464	118,311	91,573	81,682	95,122
<b>Grand Total</b>		<b>174,738</b>	<b>\$ 2,074,786</b>	<b>\$ 196,758</b>	<b>\$ 180,494</b>	<b>\$ 238,152</b>	<b>\$ 249,826</b>	<b>\$ 242,793</b>	<b>\$ 189,317</b>	<b>\$ 218,268</b>	<b>\$ 169,589</b>	<b>\$ 185,199</b>	<b>\$ 204,390</b>

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

Source: District records

BOROUGH OF MONTVALE BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE, 30, 2021  
UNAUDITED

	Coverage	Deductible/Retention
School Package Policy-School Alliance Insurance Fund		
Property- Blanket Building & Contents	\$ 43,552,680.00	\$ 2,500.00
Flood	\$ 10,000,000.00	\$ 2,500.00
Earthquake	\$ 25,000,000.00	\$ 2,500.00
Boiler & Machinery	\$ 100,000,000.00	\$ 2,500.00
Blanket Dishonest Bond	\$ 500,000.00	\$ 1,000.00
Money & Securities (Inside and Outside Premises)	\$ 50,000.00	\$ 1,000.00
Comprehensive General Liability		
Per Occurrence	\$ 5,000,000.00	None
Comprehensive Automobile Liability	\$ 5,000,000.00	None
Auto Physical Damage	Actual Cash Value	\$ 1,000.00
Cyber Liability	\$ 2,000,000.00	\$ 10,000.00
Commercial Environmental Impairment Liability- School Alliance Insurance Fund		
Each Incident	\$ 1,000,000.00	\$ 50,000.00
Fund Aggregate	\$ 25,000,000.00	
School Leaders Professional Liability-School Alliance Insurance Fund		
Each Loss	\$ 5,000,000.00	\$ 5,000.00
Annual Aggregate	\$ 5,000,000.00	
Excess Liability- School Alliance Insurance Fund		
Excess Policy per occ/agg	\$ 15,000,000.00	None
Workers Compensation-SOBER	Statutory	
Student Accident Insurance- Monarch Management Corp.		
Mandatory Plan- Excess	\$ 25,000.00	None
Catastrophic Plan- Excess	\$ 7,500,000.00	\$ 25,000.00
Public Official Bond- Western Surety (CNA)		
Business Administrator/Board Secretary- Andrea Wasserman	\$ 225,000.00	None

Source: District's Records

***SINGLE AUDIT SECTION***

**BARRE & COMPANY LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**  
2204 Morris Avenue, Suite 206  
Union, New Jersey 07083  
908-686-3484  
FAX – 908-686-6055  
www.cpa-bc.com ♦ info@cpa-bc.com

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Montvale Board of Education (School District), in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in table of contents and have issued our report thereon dated March 15, 2022.

**Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 matter that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We also noted other matters that we reported to the Board of Trustees of the Montvale Board of Education in a separate report entitled, Auditor's Management Report on Administrative Findings dated March 15, 2022.

### **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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountants

  
Richard M. Barre, CPA  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
March 15, 2022

**BARRE & COMPANY LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**  
2204 Morris Avenue, Suite 206  
Union, New Jersey 07083  
908-686-3484  
FAX – 908-686-6055  
www.cpa-bc.com ♦ info@cpa-bc.com

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

**INDEPENDENT AUDITOR’S REPORT**

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

**Report on Compliance for Each Major Federal and State Program**

We have audited the compliance of the Montvale Board of Education (School District), in the County of Bergen, State of New Jersey, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* and the New Jersey Circular 15-08-OMB *State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2021. The School District’s major federal and state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management’s Responsibility***

The School District’s management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District’s major federal and 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; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State*

*Grants and State Aid.* Those standards, Uniform Guidance and New Jersey Circular 15-08-OMB 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the School District's compliance.

#### ***Opinion on Each Major Federal and State Program***

In our opinion, the Montvale Board of Education, in the County of Bergen, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

#### **Report on Internal Control Over Compliance**

Management of Montvale Board of Education 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 the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 a 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 material weaknesses or significant deficiencies. 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.



**Purpose of this Report**

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 that the testing based on the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purposes.

  
BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountants

  
Richard M. Barre, CPA  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
March 15, 2022

MONTVALE BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal CFDA Number	FAIN	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2020	Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures	Adjustments	Payment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2021	Due to Grantor
<b>U.S. Department of Homeland Security</b>													
FEIMA B - Emergency Protective Measures (COVID Materials)	97.042	162162	\$ 22,848	6/1/20 12/1/20	\$ -	\$ -	\$ 22,848	\$ (22,848)	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund													
<b>Special Revenue Fund:</b>													
<b>U.S. Department of Education</b>													
<b>Passed-through State Department of Education</b>													
Every Student Succeeds Act Cluster:													
Title I Part A													
84.010	S010A200030	ESSA - 3330 - 21	134,374	7/1/20 9/30/21			81,467	(131,083)			(49,616)		
84.010	S010A190030	ESSA - 3330 - 20	134,133	7/1/19 9/30/20	(69,933)		59,933						
84.365	S365A200030	ESSA - 3330 - 21	5,169	7/1/20 9/30/21	(781)		354	(1,362)			(1,028)		
84.365	S365A190030	ESSA - 3330 - 20	4,096	7/1/19 9/30/20	(781)		781						
84.367A	S367A200029	ESSA - 3330 - 21	36,243	7/1/20 9/30/21	(2,084)		15,975	(28,465)			(12,490)		
84.367A	S367A190029	ESSA - 3330 - 20	37,535	7/1/19 9/30/20	(62,798)		160,394	(160,930)			(63,734)		
Total Every Student Succeeds Act Cluster													
Special Education Cluster:													
84.027	H027A200100	IDEA - 3330 - 21	198,950	7/1/20 9/30/21			171,239	(184,946)			(13,707)		
84.027	H027A190100	IDEA - 3330 - 20	215,757	7/1/19 9/30/20	(13,705)		13,705						
84.173	H173A200114	IDEA - 3330 - 21	7,043	7/1/20 9/30/21	(13,705)		7,043	(7,043)			(13,707)		
Total Special Education Cluster													
Other Special Revenue Funds:													
CARES ESSER I Fund													
84.425D	S425D200027	N/A	107,066	3/1/20 9/30/22			106,898	(107,066)			(168)		
Total Other Special Revenue Funds													
Total U.S. Department of Education													
<b>U.S. Department of Treasury</b>													
Coronavirus Relief Fund (CRF)													
21.019		N/A	57,488				57,488	(57,488)					
Total U.S. Department of Treasury													
Total Special Revenue Fund													
Total Federal Financial Awards													

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

MONTVALE BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020		Due to Grantor	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Reversals of Prior Year's Balance	Balance at June 30, 2021		Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
			From	To	Deferred Revenues (Accounts Receivable)	Unearned Refund Payable											
<b>State Department of Education</b>																	
<b>General Fund:</b>																	
State Aid-Public Cluster:																	
Special Education Categorical Aid	21-485-034-5120-089	\$ 567,610	7/1/20	6/30/21	\$ -	\$ -	\$ -	\$ 513,664	\$ (567,610)	\$ -	\$ -	\$ (53,926)	\$ -	\$ -	\$ 53,926	\$ 667,610	
Security Aid	21-485-034-5120-084	18,499	7/1/20	6/30/21	-	-	-	16,741	(18,499)	-	-	(1,758)	-	-	1,758	18,499	
Transportation Aid	21-485-034-5120-014	192,645	7/1/20	6/30/21	-	-	-	174,342	(192,645)	-	-	(18,303)	-	-	18,303	192,645	
Total State Aid-Public Cluster								704,767	(778,754)	-	-	(73,987)	-	-	73,987	778,754	
<b>Other General Funds:</b>																	
Extraordinary Aid	21-485-034-5120-044	314,279	7/1/20	6/30/21				24,224	(314,279)			(290,055)			290,055	314,279	
Nonpublic School Transportation Costs	20-485-034-5120-044	241,848	7/1/19	6/30/20				241,848				(5,800)			5,800	6,800	
On-Behalf TPAF Post-Retirement Medical Contributions	21-485-034-5120-078	6,900	7/1/20	6/30/21				688,771	(686,771)			(2,000)			2,000	6,800	
On-Behalf TPAF Post-Retirement Medical Contributions	21-485-034-5094-001	2,228,757	7/1/20	6/30/21				2,229,757	(2,229,757)			(1,169)			1,169	2,229,757	
Reimbursed TPAF - Social Security	21-485-034-5094-002	624,815	7/1/20	6/30/21				624,815	(624,815)			(1,169)			1,169	624,815	
On-Behalf TPAF Non-Contributory Insurance	21-485-034-5094-004	1,169	7/1/20	6/30/21				3,820,594	(3,874,597)			(295,655)			295,655	3,874,597	
Total Other General Funds								4,525,351	(4,653,345)			(369,842)			369,842	4,653,345	
Total State Financial Assistance								\$ 4,525,351	\$ (4,653,345)			\$ (369,842)			\$ 369,842	\$ 4,653,345	
<b>State Financial Assistance Not Subject to Major Program Determination:</b>																	
<b>General Fund:</b>																	
On-Behalf TPAF Post-Retirement Medical Contributions	21-485-034-5094-001	688,771	7/1/20	6/30/21				(688,771)	688,771								(688,771)
On-Behalf TPAF Pension Contributions	21-485-034-5094-002	2,228,757	7/1/20	6/30/21				(2,229,757)	2,229,757								(2,229,757)
On-Behalf TPAF Non-Contributory Insurance	21-485-034-5094-004	1,169	7/1/20	6/30/21				(1,169)	1,169								(1,169)
Total On-Behalf TPAF Pension System Contributions								(2,929,697)	2,929,697								(2,929,697)
Total State Financial Assistance Subject to Major Program Determination								\$ 4,585,654	\$ (4,723,643)			\$ (369,842)			\$ 369,842	\$ 1,723,648	

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

**MONTVALE BOARD OF EDUCATION**  
**NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2021**

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**NOTE 1. GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Montvale Board of Education. The Board of Education is defined in Note 1 to the board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as 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 on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements. This does not apply to charter schools as districts are not permitted to defer the June payments to charter schools.

**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 (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the 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 budget year due to the state deferral and recording of the one or more June 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 June state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

**MONTVALE BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2021**

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**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$3,748) for the general fund and none for the special revenue fund. See Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 22,848	\$ 4,649,597	\$ 4,672,445
Special Revenue Fund	517,473	-	517,473
Food Service Fund	-	-	-
Total Awards & Financial Assistance	<u>\$ 540,321</u>	<u>\$ 4,649,597</u>	<u>\$ 5,189,918</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. FEDERAL AND STATE LOANS OUTSTANDING**

Montvale Board of Education has no loan balances outstanding at June 30, 2021.

**NOTE 6. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amounts reported as TPAF Pension Contributions, TPAF Post-Retirement Medical Contributions, and TPAF Long-Term Disability Insurance Contributions represent the amount paid by the State on behalf of the school district for the year ended June 30, 2021. 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, 2021.

**MONTVALE BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2021**

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

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

**NOTE 8. SCHOOLWIDE PROGRAM FUNDS**

Schoolwide programs are not separate federal programs as defined in the Uniform Guidance; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district.

Program	Total
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$ 131,083
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	<u>28,465</u>
Total	<u>\$ 159,548</u>

**NOTE 9. INDIRECT COSTS**

The School District did not elect to use the 10% de Minimis indirect cost rate as allowed by the Uniform Guidance.

MONTVALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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***Section I – Summary of Auditor’s Results***

**Financial Statements**

Type of auditors’ report issued on financial statements		<u>Unmodified</u>
Internal control over major programs:		
1) Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
2) Were significant deficiency(ies) identified that are not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input type="checkbox"/> None <input checked="" type="checkbox"/> Reported
Noncompliance material to basic financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Federal Awards – N/A**

MONTVALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**Section I – Summary of Auditor’s Results (Continued)**

**State Awards**

Internal control over compliance:

- 1) Material weakness(es) identified?  Yes  No
- 2) Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  Reported  None

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08?  Yes  No

Identification of major state programs:

<u>State Grant / Project Number(s)</u>	<u>Name of State Program</u>
	State Aid-Public Cluster
<u>21-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>21-495-034-5120-084</u>	<u>Security Aid</u>
<u>21-495-034-5094-003</u>	<u>Reimbursed TPAF - Social Security</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No



**MONTVALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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***Section II – Financial Statement Findings – N/A***

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in the Uniform Guidance audit.

**Finding**

There were no matters reported.

**MONTVALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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***Section III – Federal Awards and State Financial Assistance  
Findings and Questioned Costs***

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

**FEDERAL AWARDS – N/A**

**Findings**

There were no matters reported.

**STATE AWARDS**

**Findings**

There were no matters reported.

**MONTVALE BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**STATUS OF PRIOR YEAR FINDINGS – N/A**

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*, *USOMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (511 (a)(b)) and NJ Circular 04-04-OMB and/or 15-08-OMB, as applicable.

**Findings**

There were no matters reported.