

**SCHOOL DISTRICT OF
MOUNTAIN LAKES
COUNTY OF MORRIS, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

Comprehensive Annual Financial Report

of the

Mountain Lakes School District

Mountain Lakes, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

**Mountain Lakes School District
Board of Education**

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INTRODUCTORY SECTION

**Mountain Lakes Board of Education
96 Powerville Road, Suite 1
Mountain Lakes, New Jersey 07046**

March 15, 2022

Honorable President and
Members of the Board of Education
Mountain Lakes School District
Morris County, New Jersey

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Mountain Lakes School District (District) for the fiscal year ended 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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 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 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 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 District is required to undergo an annual single audit in conformity with the provisions of the revised Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", and the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this section.

1. REPORTING ENTITY SERVICES: The Mountain Lakes School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB No. 14. All funds and account groups of the District are included in this report. The Mountain Lakes 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 12. These include regular programs, as well as the Lake Drive School for Deaf and Hard of Hearing Children. Lake Drive provides comprehensive educational services to deaf and hard of hearing children ranging in age from infants through high school. The following details the changes in the student enrollment of the District over the last five years.

<u>Average Daily Enrollment</u>		
<u>Fiscal Year</u>	<u>Student Enrollment*</u>	<u>Percent Change</u>
2015-2016	1,534	
2016-2017	1,595	+3.98%
2017-2018	1,532	-3.95%
2018-2019	1,574	+2.74%
2019-2020	1,549	-1.59%
2020-2021	1,478	-4.58%

*Includes non-resident students, Boonton Township students and students at the Lake Drive School for Deaf and Hard of Hearing Children.

2. ECONOMIC CONDITION AND OUTLOOK: The Mountain Lakes Public Schools 2021-2022 budget contains all the necessary elements to provide our students with a quality education. The district continues to provide a great diversity of courses at all levels. Consequently, we continue to offer a large number of courses, particularly at the high school level. Every effort, however, has been made to hold staff levels as well as general budget expenditures. The Board of Education recognizes the difficult position of our state and local economy and is making every effort to act responsibly. Despite the pressure on schools to reduce services, our budget supports our educational programs at the same levels as the prior year. There are no courses cut from the curriculum, class sizes remain relatively consistent.

3. MAJOR INITIATIVES: Considering the difficult times the community faces, the Board worked closely with the Administration to develop a 2020-2021 Budget that reflects strong spending discipline as well as sources of efficiencies. The Mountain Lakes District completed an extensive review and revision process for curriculum across the district. Curriculum updates took place across major disciplines including Mathematics, Language Arts, Science, Social Studies and World Languages. The curriculum revisions were vetted through the QSAC process by the state.

The majority of students at Mountain Lakes High School are college-bound following graduation. Therefore, a vital aspect of our focus at MLHS is to ensure our students will be successful at the college level. Currently, we offer a variety of Advanced Placement courses at MLHS that allow our students to potentially earn college credit or advanced standing based upon performance on AP exams. The Mountain Lakes School District expanded opportunities to receive college credit or advanced standing for MLHS students outside of our AP programs through the introduction of dual enrollment at MLHS.

The Mountain Lakes School District provides an impressive array of in-service opportunities that allow staff members to stay current and to improve their instructional skills; a hallmark of a progressive and innovative school district. Specifically professional learning opportunities have focused on the following areas:

- Differentiated Support: Staff will engage in Professional Learning Communities (PLCs) to meet their varied needs based on grade level, content and/or department.
- Technology: To explore, become knowledgeable, and implement learning experiences that use digital tools to access, manage, evaluate, and synthesize information in order to create and communicate knowledge, solve problems, and redesign learning. Introduce learning platforms

that will help to assess and progress monitor students on a regular basis to ensure individualized instruction is provided to all students.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse 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 District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the 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 District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2021.

6. ACCOUNTING SYSTEM AND REPORTS: The 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 Statements," Note 1.

7. DEBT ADMINISTRATION: At June 30, 2021, the District's outstanding debt total was \$22,206,000. In September 2017, the residents of the borough authorized an additional \$17,216,215 in debt.

8. CASH MANAGEMENT: The investment policy of the District is guided in large parts by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss

under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT: The Board carries 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. The accounting firm of Samuel Klein and Company was selected 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 revised Single Audit Act Amendments of 1996 and the related Title 2 U.S. Code of Federal Regulations (CFR) Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” and state Treasury Circular Letter 15-08 OMB. The auditor’s report on the general purpose financial statements and combining and 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. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Mountain Lakes School 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,

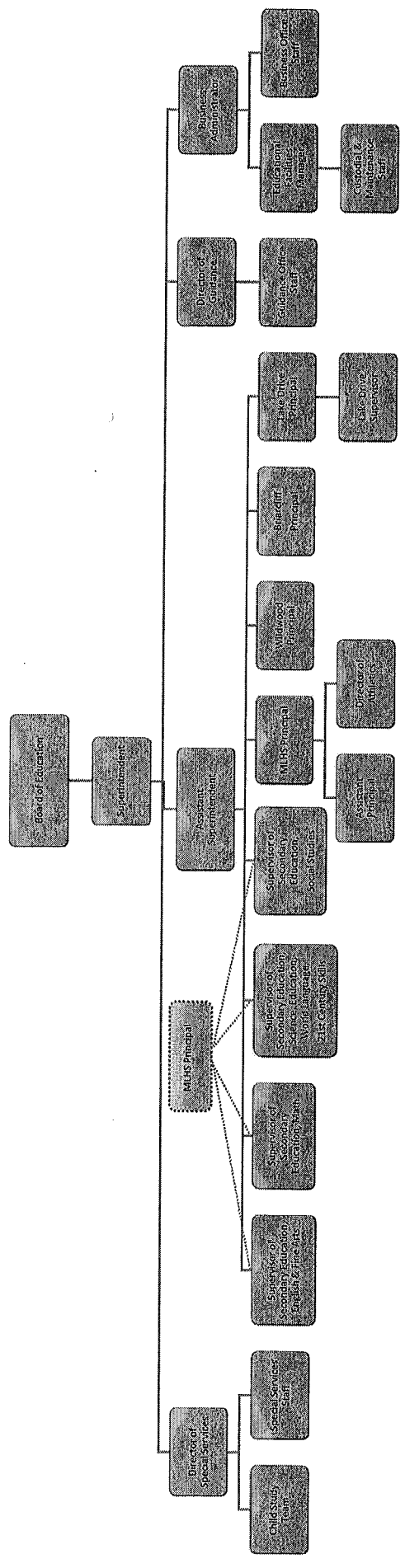


Michael J. Fetherman,
Superintendent



Alex Ferreira,
School Business Administrator / Board Secretary

Mountain Lakes School District Organizational Chart



MOUNTAIN LAKES BOARD OF EDUCATION

**ROSTER OF OFFICIALS
JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mrs. J. Barkauskas	2022
Mr. J. Chang	2021
Dr. J. Hirschfeld	2022
Mr. R. Mancuso	2021
Ms. J. Scarpati	2022
Mr. J. Sierchio (Boonton Township)	2021
Ms. D. Smith	2021
Dr. K. Driscoll	2023
Ms. T. Lewis	2023
Mrs. J. Parker	2023

Other Officials

Mr. Michael J. Fetherman, Superintendent of Schools

Mr. Alex Ferreira, School Business Administrator / Board Secretary

Mr. D. Timothy Roberts, Treasurer

MOUNTAIN LAKES BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Architects

FKA Architects
306 Ramapo Valley Road
Oakland, New Jersey 07436
(201) 644-0505

Audit Firm

Samuel Klein and Company, LLP
Certified Public Accountants
550 Broad Street, 11th Floor
Newark, New Jersey 07102-4517
(973) 624-6100

Attorney

Fogarty & Hara
21-00 Route 208 South
Fair Lawn, New Jersey 07410
(201) 791-3340
(201) 791-3432 telecopier

Official Depository

Lakeland Bank
321 West Main Street
Boonton, New Jersey 07005

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

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FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Borough of Mountain Lakes Board of Education
County of Morris
Mountain Lakes, New Jersey 07046

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 Board of Education of the Borough of Mountain Lakes School District, County of Morris, State of New Jersey, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 Board'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 Board'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 Board of Education of the Borough of Mountain Lakes School District, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the schedules of the District's proportionate share of the net pension liability, the schedules of the District's contributions, the budgetary comparison information, the schedule of changes in the District's total OPEB liability, related ratios and notes, and the notes to the required supplementary information, 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 responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

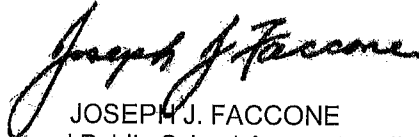
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Mountain Lakes School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule 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 used 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2022, on our consideration of the Board of Education of the Borough of Mountain Lakes School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Mountain Lakes 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 Borough of Mountain Lakes School District's internal control over financial reporting and compliance.



JOSEPH J. FACCONI
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
February 10, 2022

REQUIRED SUPPLEMENTARY INFORMATION - PART I

BOROUGH OF MOUNTAIN LAKES SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED

The discussion and analysis of the Borough of Mountain Lakes Public School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the basic financial statements and other financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

In total, net assets totaled \$46,258,841 which represents an increase from 2020.

General revenue was \$38,642,680 or 73.8% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$13,686,385 or 26.2% of total revenues of \$52,329,064.

Total assets of governmental activities increased by \$1,784,995.74 as cash and cash equivalents increased approximately \$822,941, capital assets increased by approximately \$4,916,914 and receivables decreased by \$424,406.

The District had \$50,051,943 in expenses; only \$14,203,457 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$23,732,766 and tuition of \$13,854,015 were adequate to provide for these programs.

Among major funds, the General Fund had \$45,074,504 in revenues and \$44,254,858 in expenditures, which does not include the operating transfer out for the Enterprise Fund. The General Fund's fund balance increased \$859,851 from 2020. The General Fund's fund balance is \$3,915,814.

Using this Comprehensive Annual Financial Report (CAFR)

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Borough of Mountain Lakes Public School District as a financial whole, an entire operating entity. The statements then proceed to provide a detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. Governmental fund 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 District's most significant funds with all other non-major funds presented in total in one column. In the case of the Borough of Mountain Lakes Public School District, the General Fund is by far the most significant.

BOROUGH OF MOUNTAIN LAKES SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (CONTINUED)

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question "How We Did Financially during Fiscal Year 2021". The Statement of Net Assets and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. This change in net assets is important because they report on whether the District's financial position has improved or diminished.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two types of activities:

Governmental Activities - all of the 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 Activities - these services are provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and Community School Enterprise Funds are reported as business activities.

Reporting the District's Most Significant Funds

Fund Financial Statement

The Analysis of the District's major funds begins on page 25. Fund financial reports provide detailed information about the District's major funds. The District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

BOROUGH OF MOUNTAIN LAKES SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (CONTINUED)

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities. The reporting of this fund did not change with the conversion to GASB 34.

The District as a Whole

The Statement of Net Position provides the financial perspective of the District as a whole.

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

Table 1 - Net Assets

	<u>2021</u>	<u>2020</u>
Assets		
Current and Other Assets	\$ 10,357,666	\$ 14,085,393
Capital Assets	<u>35,901,175</u>	<u>30,986,340</u>
Total Assets	<u>\$ 46,258,841</u>	<u>\$ 45,071,733</u>
Liabilities		
Long-Term Liabilities	\$ 30,299,263	\$ 33,879,632
Other Liabilities	<u>8,196,198</u>	<u>6,999,077</u>
Total Liabilities	<u>\$ 38,495,461</u>	<u>\$ 40,878,709</u>
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 12,123,106	\$ 6,089,242
Restricted	6,534,500	10,478,894
Unrestricted	<u>(10,894,227)</u>	<u>(12,375,113)</u>
Total Net Position	<u>\$ 7,763,379</u>	<u>\$ 4,193,024</u>

The District's combined net assets were \$46,258,841 and \$45,071,733 on June 30, 2021 and June 30, 2020, respectively.

BOROUGH OF MOUNTAIN LAKES SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (CONTINUED)

Table 2 shows the comparative changes in net assets from fiscal year 2021 and 2020.

Table 2 - Comparative Changes in Net Assets

	<u>2021</u>	<u>2020</u>	<u>Total % Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 517,118	\$ 414,365	24.80%
Operating Grants and Contributions	13,686,385	9,119,770	50.07%
General Revenues:			
Property Taxes	23,732,766	22,420,836	5.85%
Grants and Entitlements	1,336,906	1,136,294	17.65%
Tuition	13,854,015	13,048,955	6.17%
Other	50,305	264,623	-80.99%
Transfers			
Total Revenues	<u>53,177,495</u>	<u>46,404,843</u>	<u>14.59%</u>
Program Expenses:			
Instruction	31,603,013	29,116,004	8.54%
Support Services:			
Tuition/Pupils and Instructional Staff	9,142,115	7,283,917	25.51%
General Administration, School Administration, Business Operations and Maintenance of Facilities	7,118,319	7,547,272	-5.68%
Pupil Transportation	520,585	588,556	-11.55%
Special Schools	228,676	627,507	-63.56%
Charter School	12,368	28,327	-56.34%
Debt Service	818,117	339,799	140.77%
Unallocated Depreciation	512,452	1,093,031	-53.12%
Food Service and Community School	96,298	451,435	-78.67%
Cancellation of Prior Year Accounts Receivable	307,054		
Transfers (net)	<u>24,259</u>		
Total Expenses	<u>50,383,256</u>	<u>47,075,849</u>	<u>7.03%</u>
Increase (Decrease) in Net Assets	2,794,239	(671,005)	
Beginning Net Assets	4,193,024	4,864,029	
Prior Period Adjustments	<u>810,919</u>		
Ending Net Assets	<u>\$ 7,798,182</u>	<u>\$ 4,193,024</u>	

BOROUGH OF MOUNTAIN LAKES SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (CONTINUED)

Government Activities

Property taxes made up 45.1% of revenues for governmental activities for the fiscal year 2021. The District's total revenues were \$52,660,377 for the year ended June 30, 2021. Federal, state and local grants accounted for another 28.5%.

The total cost of all programs and services was \$50,051,943. Instruction comprises 63.1% of the District's expenses.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services.

Food service expenses exceeded revenues by \$62,244. Charges for services represent \$517,118 of revenue. This represents the amount paid by patrons for daily food service and catering.

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.

Table 3 - Comparative Statement of Activities

	Total Cost of Services			Net Cost of Services		
	<u>2020-2021</u>	<u>2019-2020</u>	<u>% Change</u>	<u>2020-2021</u>	<u>2019-2020</u>	<u>% Change</u>
Instruction	\$ 21,606,126	\$ 22,188,836	-2.63%	\$ 9,996,886	\$ 6,927,168	44.31%
Support Services:						
Tuition/Pupils and Instructional Staff	6,342,112	5,928,120	6.98%	2,316,895	1,355,797	70.89%
General Administration, School Administration, Business Operation and Maintenance of Facilities	5,745,760	6,711,572	-14.39%	1,372,558	835,700	64.24%
Pupil Transportation	520,585	588,556	-11.55%			
Special Schools	228,676	627,507	-63.56%			
Charter School	12,368	28,327				
Debt Service	818,117	339,799	140.77%			
Unallocated Depreciation	512,452	1,093,031	-53.12%			
Food Service				45	1,105	-95.89%
Capital Outlay						
	<u>\$ 35,786,197</u>	<u>\$ 37,505,749</u>	<u>-4.58%</u>	<u>\$ 13,686,385</u>	<u>\$ 9,119,770</u>	<u>50.07%</u>

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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership.

BOROUGH OF MOUNTAIN LAKES SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (CONTINUED)

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching students, including curriculum and staff development.

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

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

Pupil transportation includes activities involved with the conveyance of students to and from school, to school co-curricular, athletic activities and co-curricular field trips as provided by state law.

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

The District's Funds

Information about the District's major funds starts on Page 25. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$48,163,464 and expenditures of \$52,035,264.

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 years ended June 30, 2021 and June 30, 2020, and the amount and percentage of increases and decreases in relation to prior year revenues.

Comparative Summary of Revenues

Revenue	<u>June 30, 2021</u>	<u>Percent of Total</u>	<u>June 30, 2020</u>	<u>(Decrease) from 2020</u>	<u>Increase (Decrease)</u>
Local Sources	\$ 37,637,087	78.14%	\$ 35,734,414	\$ 1,902,673	5.32%
State Sources	9,322,362	19.36%	8,031,462	1,290,901	16.07%
Federal Sources	409,725	0.85%	342,992	66,733	19.46%
Private Sources	<u>794,290</u>	<u>1.65%</u>	<u>483,968</u>	<u>310,322</u>	<u>64.12%</u>
	<u>\$ 48,163,464</u>	<u>100.00%</u>	<u>\$ 44,592,835</u>	<u>\$ 3,570,628</u>	<u>8.01%</u>

BOROUGH OF MOUNTAIN LAKES SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (CONTINUED)

The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2021 and the amount and percentage of increases (decreases) in relation to prior year amounts.

Comparative Summary of Expenditures

Expenditures	<u>June 30, 2021</u>	<u>of Total</u>	<u>June 30, 2020</u>	<u>from 2020</u>	<u>(Decrease)</u>
Current Expenditures					
Instruction	\$ 18,582,675	35.71%	\$ 18,627,658	\$ (44,983)	-0.24%
Undistributed	25,990,697	49.95%	24,007,548	1,983,149	8.26%
Capital Outlay	5,429,366	10.43%	7,654,679	(2,225,313)	-29.07%
Special Schools	228,676	0.44%	627,507	(398,831)	-63.56%
Charter School	12,368	0.02%	28,327	(15,959)	-56.34%
Debt Service	1,791,482	3.44%	1,125,788	665,694	59.13%
	<u>\$ 52,035,264</u>	<u>100.00%</u>	<u>\$ 52,071,507</u>	<u>\$ (36,243)</u>	<u>-0.07%</u>

The overall decrease in expenditures is attributed to the transition of students into remote learning as a result of the COVID-19 pandemic.

BOROUGH OF MOUNTAIN LAKES SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (CONTINUED)

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.

During the course of the fiscal year 2021, the District amended its General Fund budget as needed. The District uses program based budgeting and the budgeting systems are designed to tightly control program budgets, but provide flexibility for program management. Transfers from one program to another must be approved by the Board of Education.

At the end of the fiscal year 2021, the District had \$56,262,284 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2021 balances compared to 2020.

Table 4 - Capital Assets at June 30

	<u>2021</u>	<u>2020</u>
Land/Sites	\$ 300,000	\$ 300,000
Construction in Progress	13,908,914	9,160,066
Site Improvements	678,427	678,427
Buildings and Improvements	37,039,357	36,358,839
Machinery and Equipment	<u>4,335,585</u>	<u>4,335,585</u>
Totals	<u>\$ 56,262,284</u>	<u>\$ 50,832,917</u>

Overall capital assets increased \$5,429,367 from fiscal year 2020 to fiscal year 2021. The increase in capital assets was due primarily to the improvements made in the District during 2021.

For the Future

The Borough of Mountain Lakes Public School District is financially sound and is able to meet all instructional programs and service requirements. The district continues to prioritize academic excellence and is preparing to introduce a new academic schedule for students at Mountain Lakes High School during the 2022/23 academic year. In addition, the district will continue to implement the improvements to the school buildings consistent with the referendum passed in 2017. With the continued support of the Board of Education, the administration will propose recommendations and betterments to protect the community's long-term investment.

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 District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, you may contact Alex Ferreira., School Business Administrator/Board Secretary, Borough of Mountain Lakes Public Schools, 90 Powerville Road, Mountain Lakes, New Jersey 07046

BASIC FINANCIAL STATEMENTS

A. DISTRICT-WIDE FINANCIAL STATEMENTS

MOUNTAIN LAKES BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,945,529.27	\$ 68,867.07	\$ 2,014,396.34
Investments	94,564.79		94,564.79
Accounts Receivables, Net	1,124,417.20		1,124,417.20
Inventory		6,832.99	6,832.99
Restricted Assets:			
Capital Reserve Account - Cash	5,853,618.55		5,853,618.55
Capital Assets, Net (Note 5)	<u>35,901,174.69</u>	<u>500.61</u>	<u>35,901,675.30</u>
Total Assets	<u>44,919,304.50</u>	<u>76,200.67</u>	<u>44,995,505.17</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount Related to Pension	<u>1,339,536.00</u>		<u>1,339,536.00</u>
Total Deferred Outflows of Resources	<u>1,339,536.00</u>		<u>1,339,536.00</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	419,035.44	15,656.53	434,691.97
Interfunds Payable	14,454.86		14,454.86
Payable to State Government	108.02		108.02
Accrued Interest Payable	208,299.55		208,299.55
Deferred Revenue	682,531.81	25,741.13	708,272.94
Noncurrent Liabilities:			
Due Within One Year	1,486,726.40		1,486,726.40
Due Beyond One Year (Note 6)	23,238,737.94		23,238,737.94
Net Pension Liability (Note 6)	<u>8,007,921.00</u>		<u>8,007,921.00</u>
Total Liabilities	<u>34,057,815.02</u>	<u>41,397.66</u>	<u>34,099,212.68</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount Related to Pension	<u>4,437,646.00</u>		<u>4,437,646.00</u>
Total Deferred Inflows of Resources	<u>4,437,646.00</u>		<u>4,437,646.00</u>
NET ASSETS			
Investment in Capital Assets, Net of Related Debt	12,123,106.35	500.61	12,123,606.96
Restricted for:			
Debt Service	91.95		91.95
Capital Reserve	1,755,365.45		1,755,365.45
Unemployment Compensation	372,388.34		372,388.34
Scholarships	138,504.36		138,504.36
Student Activities	358,299.57		358,299.57
Other Purposes	3,909,850.04		3,909,850.04
Unrestricted (Deficit)	<u>(10,894,226.58)</u>	<u>34,302.40</u>	<u>(10,859,924.18)</u>
Total Net Assets	<u>\$ 7,763,379.48</u>	<u>\$ 34,803.01</u>	<u>\$ 7,798,182.49</u>

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

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

Function/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 18,567,672.65	\$	6,019,019.62	\$ (12,548,653.03)	\$	(12,548,653.03)
Special Education Instruction	11,381,233.45		3,520,706.13	(7,860,527.32)		(7,860,527.32)
School Sponsored Activities	637,481.85		457,160.45	(180,321.40)		(180,321.40)
Other Instruction	1,016,624.70			(1,016,624.70)		(1,016,624.70)
Support Services:						
Tuition	1,144,740.61	483,108.78 *	2,316,894.77 *	(1,144,740.61)		(1,144,740.61)
Student and Instructional Related Services	7,997,374.81		216,741.03	(5,197,371.26)		(5,197,371.26)
General Administration	893,702.30		347,292.84	(676,961.27)		(676,961.27)
School Administrative Services	1,849,748.16		251,911.81	(1,502,455.32)		(1,502,455.32)
Central Services	825,947.45		556,612.53	(574,035.64)		(574,035.64)
Plant Operations and Maintenance	3,465,635.35			(2,909,022.82)		(2,909,022.82)
Care and Upkeep of Grounds	83,285.34			(83,285.34)		(83,285.34)
Pupil Transportation	520,584.86			(520,584.86)		(520,584.86)
Special Schools	228,676.35			(228,676.35)		(228,676.35)
Charter School	12,368.00			(12,368.00)		(12,368.00)
Capital Outlay - Non-depreciable						
Interest on Long-Term Debt	818,116.71			(818,116.71)		(818,116.71)
Unallocated Depreciation	512,452.00			(512,452.00)		(512,452.00)
Total Governmental Activities	<u>49,955,644.59</u>	<u>483,108.78</u>	<u>13,686,339.18</u>	<u>(35,786,196.63)</u>		<u>(35,786,196.63)</u>
Business-Type Activities:						
Food Services	96,298.23	34,009.00			(62,289.23)	(62,289.23)
Total Business-Type Activities	<u>96,298.23</u>	<u>34,009.00</u>			<u>(62,289.23)</u>	<u>(62,289.23)</u>
Total Primary Government	<u>\$ 50,051,942.82</u>	<u>\$ 517,117.78</u>	<u>\$ 13,686,339.18</u>	<u>\$ (35,786,196.63)</u>	<u>\$ (62,289.23)</u>	<u>\$ (35,848,485.86)</u>

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

	Net (Expense) Revenue and Change in Net Assets		
	Governmental Activities	Business- Type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, net	\$ 22,114,825.00	\$	\$ 22,114,825.00
Property Taxes, Levied for Debt Service Principal	1,617,941.00		1,617,941.00
Federal and State Aid Restricted	173,541.00		173,541.00
Federal and State Aid not Restricted	1,150,825.00		1,150,825.00
Local/Private Sources	12,539.84		12,539.84
Tuition Received	13,854,015.42		13,854,015.42
Interest and Investment Earnings - Restricted	****	45.41	45.41
Miscellaneous Income	50,305.28		50,305.28
Cancellation of Prior Year Accounts Receivable	(307,054.30)		(307,054.30)
Transfers	(24,258.60)		(24,258.60)
Total General Revenues, Special Items, Extraordinary Items and Transfers	38,642,679.64	45.41	38,642,725.05
Change in Net Assets	2,856,483.01	(62,243.82)	2,794,239.19
Net Assets - Beginning	4,095,977.10	97,046.83	4,193,023.93
Prior Period Adjustments	810,919.37		810,919.37
Net Position, July 1 (Restated)	4,906,896.47	97,046.83	5,003,943.30
Net Assets - Ending	\$ 7,763,379.48	\$ 34,803.01	\$ 7,798,182.49

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

- * Student activity revenue is reported as "charges for services"; scholarship revenue is reported as "operating grants and contributions"
- ** Internal service fund (ex. Worker's comp) revenue is reported as "charges for services"
- *** Includes interest earnings on the flexible benefits bank account
- **** Includes the interest earnings on the unemployment compensation bank account and workers' compensation bank account

B. FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

MOUNTAIN LAKES BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Fund
ASSETS					
Cash and Cash Equivalents	\$ 1,945,529.27 *				\$ 1,945,529.27
Investments			94,564.79		94,564.79
Accounts Receivable:					
Intergovernmental Due from Federal		296,893.40			296,893.40
Intergovernmental Due from State	313,810.84	6,844.47			320,655.31
Receivables from Other Governments - Local	461,839.06				461,839.06
Tuition	22,034.97				22,034.97
Other		22,994.46			22,994.46
Interfunds Account Receivable	140,041.17	37,453.03			177,494.20
Restricted Cash and Cash Equivalents	1,504,082.73	554,514.07	3,854,888.63	140,133.12	5,853,618.55
Total Assets	\$ 4,387,338.04	\$ 918,699.43	\$ 3,749,453.42	\$ 140,133.12	\$ 9,195,624.01
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payroll Deductions and Withholdings Payable	\$ 253,408.79 ***				\$ 253,408.79
Unemployment Compensation Claims Payable	19,485.50 ****				19,485.50
Other Liabilities		5,712.00	140,429.15		146,141.15
Interfunds Account Payable	51,907.89			140,041.17	191,949.06
Payable to State Government	**	108.02			108.02
Deferred Revenue	146,721.90	416,075.48	119,734.43		682,531.81
Total Liabilities	471,524.08	421,895.50	260,163.58	140,041.17	1,293,624.33
Fund Balances:					
Restricted for:					
Excess Surplus - Prior Year - designated for subsequent year's expenditures	96,716.14				96,716.14
Capital Reserve	1,322,710.10				1,322,710.10
Scholarships		138,504.36			138,504.36
Student Activities		358,299.57			358,299.57
Tuition Reserve - Contract Year	100,000.00				100,000.00
Unemployment Compensation	372,388.34				372,388.34
Committed to:			1,733,924.39		2,382,217.80
Assigned to:					
Debt Service				91.95	91.95
Designated by the BOE for subsequent year's expenditures	8,206.00				8,206.00
Capital Projects			1,755,365.45		1,755,365.45
Unassigned Fund Balance	1,367,499.97				1,367,499.97
Total Fund Balances	3,915,813.96	496,803.93	3,489,289.84	91.95	7,901,999.68
Total Liabilities and Fund Balances	\$ 4,387,338.04	\$ 918,699.43	\$ 3,749,453.42	\$ 140,133.12	\$ 9,195,624.01

Total Fund Balance Above \$ 7,901,999.68

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$191,990,127.62 and the accumulated depreciation is \$60,258,141.29. (See Note 5).	35,901,174.69
Deferred Outflows related to pension contributions subsequent to the Net Position Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 8).	1,339,536.00
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the funds. (See Note 8).	(4,437,646.00)
Accrued interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the funds.	(208,299.55)
Long-Term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 8).	(8,007,921.00)
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 6).	(24,725,464.34)
Net Position of Governmental Activities (A-1)	\$ 7,763,379.48

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

* Include former fiduciary fund cash and cash equivalents

** Include payable due to the State for unreimbursed unemployment invoices

*** Include payroll deductions payable and flexible benefits liabilities (flex spending has no net position, only liabilities)

**** Include unspent employee payroll unemployment contributions

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local Sources:					
Local Tax Levy	\$ 22,114,825.00	\$		\$ 1,617,941.00	\$ 23,732,766.00
Tuition Charges	13,854,015.42				13,854,015.42
Restricted Miscellaneous Revenues	871.43 *				871.43
Unrestricted Miscellaneous Revenues	49,433.85				49,433.85
Total Local Sources	36,019,145.70				36,019,145.70
State Sources	9,056,358.67	93,462.51		1,617,941.00	9,322,362.18
Federal Sources		409,724.53		173,541.00	409,724.53
Private (Local) Sources		794,290.09 **			794,290.09
Total Revenues	45,074,504.37	1,297,477.13		1,791,482.00	48,163,463.50
Expenditures					
Current:					
Regular Instruction	10,434,674.41	659,548.16			11,094,222.57
Special Education Instruction	6,471,827.43				6,471,827.43
Other Instruction	1,016,624.70				1,016,624.70
Support Services and Undistributed Costs:					
Tuition	1,144,740.61				1,144,740.61
Student and Instructional Related Services	4,384,482.67	580,527.50 ***			4,965,010.07
General Administration	591,470.39				591,470.39
School Administrative Services	1,365,469.87				1,365,469.87
Central Services	474,672.07				474,672.07
Plant Operations and Maintenance	2,853,602.94				2,853,602.94
Care and Upkeep of Grounds	83,285.34				83,285.34
Pupil Transportation	520,584.86				520,584.86
Employee Benefits	13,991,960.39				13,991,960.39
Special Schools	228,676.35				228,676.35
Transfer to Charter Schools	12,368.00				12,368.00
Capital Outlay	680,517.98		4,748,848.32		5,429,366.30
Debt Service:					
Principal				955,000.00	955,000.00
Interest and Other Charges				836,481.88	836,481.88
Total Expenditures	44,264,857.91	1,240,075.66	4,748,848.32	1,791,481.88	52,035,263.77
Excess (Deficiency) of Revenues Over/(Under)					
Expenditures	819,646.46	57,401.47	(4,748,848.32)	0.12	(3,871,800.27)
Other Financing Sources (Uses):					
Transfers Out	(24,258.60)				(24,258.60)
Cancellation of Prior Year Accounts Receivable	(307,054.30)				(307,054.30)
Total Other Financing Sources (Uses)	(331,312.90)				(331,312.90)
Net Change in Fund Balances	488,333.56	57,401.47	(4,748,848.32)	0.12	(4,203,113.17)
Fund Balances, July 1	3,055,963.49		8,238,138.16	91.83	11,294,193.48
Prior Period Adjustments	371,516.91 ****	439,402.46 *****			810,919.37
Fund Balance, July 1, Restated	3,427,480.40	439,402.46	8,238,138.16	91.83	12,105,112.85
Fund Balances, June 30	\$ 3,915,813.96	\$ 496,803.93	\$ 3,489,289.84	\$ 91.95	\$ 7,901,999.68

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

- * Include interest earnings on the unemployment compensation bank account
- ** Special revenue fund now includes revenues from scholarships and student activities
- *** Special revenue fund now includes expenditures from scholarships and student activities
- **** Unemployment Fund Net Position as of June 30, 2020
- ***** Scholarship Fund and Student Activity Fund Net Position as of June 30, 2020

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

	<u>Ref.</u>	
Total Net Change in Fund Balances - Governmental Funds	B-2	\$ (4,203,113.17)
<p>Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p> <p>Capital Outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation.</p>		
Depreciation Expense		\$ (512,452.00)
Capital Outlays/Adjustments		5,429,366.30
		4,916,914.30
<p>Repayment of Bond, Loan and Lease 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.</p>		
Bonds		\$ 955,000.00
Lease Payments		164,029.18
		1,119,029.18
<p>Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest cost, administrative costs, investment returns, and experience/assumption. This is the amount by which net position liability and deferred inflows/outflows related to pension changed during the period.</p>		
		624,361.00
<p>In the statement of activities, certain operating expenses, (e.g., pensions, compensated absences and interest on debt) are measured by the amounts 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		380,926.53
<p>Accrued Interest Payable:</p>		
Balance June 30, 2020		\$ 226,664.72
Balance June 30, 2021		208,299.55
		18,365.17
Change in Net Position of Governmental Activities	A-2	\$ 2,856,483.01

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

PROPRIETARY FUNDS

**MOUNTAIN LAKES BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021**

	Business-Type Activities Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 68,867.07	\$ 68,867.07
Inventories:		
Food	6,832.99	6,832.99
Total Current Assets	<u>75,700.06</u>	<u>75,700.06</u>
Noncurrent Assets:		
Furniture, Machinery & Equipment	28,469.30	28,469.30
Less Accumulated Depreciation	(27,968.69)	(27,968.69)
Total Noncurrent Assets	<u>500.61</u>	<u>500.61</u>
Total Assets	<u>\$ 76,200.67</u>	<u>\$ 76,200.67</u>
 <u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 15,656.53	\$ 15,656.53
Deferred Revenues	25,741.13	25,741.13
Total Current Liabilities	<u>41,397.66</u>	<u>41,397.66</u>
Total Liabilities	<u>\$ 41,397.66</u>	<u>\$ 41,397.66</u>
 <u>NET POSITION</u>		
Invested in Capital Assets, Net of Related Debt	\$ 500.61	\$ 500.61
Unrestricted (Deficit)	<u>34,302.40</u>	<u>34,302.40</u>
Total Net Position	<u>\$ 34,803.01</u>	<u>\$ 34,803.01</u>

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

**MOUNTAIN LAKES BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Funds	Total Enterprise
	Food Service Programs	School Nutrition (A)
Operating Revenues:		
Charges for Services:		
Daily Sales - Non-Reimbursable Programs	\$ 34,009.00	
Total Operating Revenues	\$ 34,009.00	\$ 34,009.00
Operating Expenses:		
Cost of Sales / Goods Sold - Non-Reimbursable Programs	14,868.63	14,868.63
Salaries	34,618.46	34,618.46
Personnel Services - Employee Benefits	12,909.42	12,909.42
Purchased Services (Including Fixed Price Contract)	13,572.00	13,572.00
Other Purchased Professional and Technical Services	1,624.38	1,624.38
Insurance	12,704.02	12,704.02
General Supplies and Materials	4,422.47	4,422.47
Depreciation Expense	1,578.85	1,578.85
Total Operating Expenses	96,298.23	96,298.23
Operating Income/(Loss)	(62,289.23)	(62,289.23)
Nonoperating Revenues (Expenses):		
Interest and Investment Revenue	45.41	45.41
Total Nonoperating Revenues (Expenses)	45.41	45.41
Income (Loss) before Contributions	(62,243.82)	(62,243.82)
Change in Net Position	(62,243.82)	(62,243.82)
Total Net Position - Beginning	97,046.83	97,046.83
Total Net Position - Ending	\$ 34,803.01	\$ 34,803.01

(A) For SFAs that are self-operated / FSMC Cost Reimbursable Contracts / SFA-SFA Vended Meal Contract

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

	Business-Type Activities Enterprise Funds	
	Food Service	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from Customers and Other Funds	\$ 34,009.00	\$ 34,009.00
Payments to Employees	(34,618.46)	(34,618.46)
Payments to Employees' Benefits	(12,909.42)	(12,909.42)
Payments to Suppliers	(32,770.16)	(32,770.16)
Net Cash Provided by (Used for) Operating Activities	<u>(46,289.04)</u>	<u>(46,289.04)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Other Sources	<u>80,131.63</u>	<u>80,131.63</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>80,131.63</u>	<u>80,131.63</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest and Dividends	<u>45.41</u>	<u>45.41</u>
Net Cash Provided by (Used for) Investing Activities	<u>45.41</u>	<u>45.41</u>
Net Increase (Decrease) in Cash and Cash Equivalents	33,888.00	33,888.00
Balances - Beginning of Year	<u>34,979.07</u>	<u>34,979.07</u>
Balances - End of Year	<u>\$ 68,867.07</u>	<u>\$ 68,867.07</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating Income/(Loss)	\$ (62,289.23)	\$ (62,289.23)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Net Amortization	1,578.85	1,578.85
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable, net	15,656.53	15,656.53
(Increase)/Decrease in Inventory	(1,235.19)	(1,235.19)
Total Adjustments	<u>16,000.19</u>	<u>16,000.19</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (46,289.04)</u>	<u>\$ (46,289.04)</u>

FIDUCIARY FUNDS (IF APPLICABLE)

MOUNTAIN LAKES BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Private
Purpose
Scholarship
Trust

ADDITIONS

Total Additions

DEDUCTIONS

Total Deductions

Change in Net Position

Total Net Position - Beginning

125,964.52

Total Net Position - Ending

\$ 125,964.52

NOTES TO THE FINANCIAL STATEMENTS

MOUNTAIN LAKES SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Mountain Lakes School District (the "District") is a Type II District located in the County of Morris, State of New Jersey. As a Type II District, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K - 12. The District had an approximate enrollment at June 30, 2021 of 1,406 students.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities 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 organization is legally separate (can sue or be sued in their own name)
- . the District holds the corporate powers of the organization
- . the District appoints a voting majority of the organization's board
- . the District is able to impose its will on the organization
- . the organization has the potential to impose a financial benefit/burden on the District
- . there is a fiscal dependency by the organization on the District

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of 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. The most significant of the District's accounting policies are described below.

A. Basis of Presentation

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

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements (Continued)

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America (GAAP) 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.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. **Fund Accounting (Continued)**

1. **Governmental Funds (Continued)**

General Fund (Continued)

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

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

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

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

Permanent Fund - The 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. Resources are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting entity's programs - that is, for the benefit of the school district. The District presently has no resources that are considered permanent funds.

2. **Proprietary Fund Type**

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

Enterprise Fund - The Enterprise Fund is 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 periodic determination 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 Fund is comprised of the Food Service Fund.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. **Fund Accounting (Continued)**

2. **Proprietary Fund Type (Continued)**

Enterprise Fund (Continued)

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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:	
Machinery and Equipment	5 - 12 Years

Internal Service Funds - These funds may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary entity and its component units, or to other governments, on a cost-reimbursement basis. In addition, internal service funds are used only if the reporting school district is the predominant participant in the activity. The District does not currently utilize any Internal Service Funds.

3. **Long-Term Debt**

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt, not in the governmental funds. This includes serial bonds outstanding that are expected to be financed from governmental funds, the outstanding principal balance on capital leases, lease-purchase agreements, compensated absences, claims and judgments, early retirement incentive programs and rebatable arbitrage.

C. **Measurement Focus**

1. **Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement of Net Position.

2. **Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus (Continued)

2. Fund Financial Statements (Continued)

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office for approval. Budgets which meet the tax levy cap requirements do not require voter approval. Budgets which exceed the tax levy cap require voter approval for the excess amount at the November election. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C. 6A:23A-2.3 (et seq.).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control (Continued)

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

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

The overexpenditures related to on-behalf payments in the general fund are due to the inclusion of the nonbudgeted on-behalf payments made by the State of New Jersey as district expenditures. These amounts are offset by related revenues and as such do not represent budgetary overexpenditures.

The following presents a reconciliation of the General Fund Revenue and Special Revenue Fund Revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

E. Budgets/Budgetary Control (Continued)

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$45,082,772.37	\$1,316,236.86
Difference - Budget-to-GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(18,759.73)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	78,245.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(86,513.00)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$45,074,504.37</u>	<u>\$1,297,477.13</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$44,254,857.91	\$1,258,835.39
Difference - Budget-to-GAAP:		
The District budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example].</i>		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary purposes</i> , but in the year the supplies are received for <i>financial reporting purposes</i> .		<u>(18,759.73)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$44,254,857.91</u>	<u>\$1,240,075.66</u>

F. Encumbrances

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Encumbrances (Continued)

Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the balance sheet as deferred inflows at fiscal year end. There were no open encumbrances recorded in the Special Revenue Fund as of June 30, 2021.

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

G. Cash, Cash Equivalents and Investments

Cash and cash equivalents include 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. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited 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.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as expenditures during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

I. Allowance for Uncollectible Accounts

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

J. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

K. Tuition Payable

Tuition charges for the fiscal years 2019-20 and 2020-21 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Short-Term Interfund Receivables/Payables

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

M. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 40 Years
Furniture and Equipment	7 - 20 Years
Vehicles	8 Years

N. Deferred Outflows/Inflows of Resources

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

O. Compensated Absences

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

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

Q. Net Position

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

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

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

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

R. Deferred Inflows

Deferred inflows in the special revenue fund represents cash that has been received but not yet earned.

S. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

T. Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five (5) categories, as defined below:

- a. Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, noncurrent receivables and corpus of any permanent funds.
- b. Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Fund Balance (Continued)

- c. Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- d. Assigned - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- e. Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a position unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

U. Proprietary Funds Revenues and Expenses

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund (the Food Service) are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

V. Rebutable Arbitrage

Rebutable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebutable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the Capital Projects Fund. The liability, if any, is recorded in the "Statement of Net Position".

W. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, worker's compensation and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

X. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security and post-retirement medical and pension contributions for the certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

Y. Extraordinary and Special Items

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

Z. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date-an Amendment to GASB No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Z. Accounting and Financial Reporting for Pensions (Continued)

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

AA. Accounting and Financial Reporting for Other Post-Retirement Benefits ("OPEB")

In 2018 the District implemented GASB #75 which addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, revenues and expense/expenditures. The Statement GASB #45 supersedes Accounting and Financial Reporting for Post-Employment Benefits with other than Pension.

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements.

AB. GASB Statement No. 84 Fiduciary Activities

The District implemented GASB Statement No. 84 Fiduciary Activities on July 1, 2020. 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 establishes criteria for identifying fiduciary activities. 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 component units and postemployment benefit arrangements that are fiduciary activities. The District reclassified the payroll agency, payroll net and unemployment reserve accounts to the General Fund. The Special Revenue Fund was adjusted to include student activities and scholarship accounts. There was no adverse impact on the financial statements of the District.

AC. Other Accounting Standards

The District is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement No. 87. Leases.* 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.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement 95 was issued in May 2020, which postponed the effective date of this GASB by eighteen months.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

AC. Other Accounting Standards (Continued)

- *GASB Statement No. 89. Accounting for Interest Cost Incurred Before the End of a Construction Period.* The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

- *GASB Statement No. 91. Conduit Debt Obligations.* The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

- *GASB Statement No. 92. Omnibus 2020.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

- *GASB Statement No. 93. Replacement of Interbank Offered Rates.* The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

Effective Date: The removal of London Interbank Offered Rate (IBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

AC. Other Accounting Standards (Continued)

- *GASB Statement No. 94. Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 96. Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscriptions-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

- *GASB Statement No. 97. Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged.

- *GASB Statement No. 98. The Annual Comprehensive Financial Report.* This Statement establishes the term *Annual Comprehensive Financial Report* and its acronym ACFR. That new term and acronym replace instances of *Comprehensive Annual Financial Report* and its acronym in generally accepted accounting principles for state and local governments.

Effective Date: The requirements of this Statement are effective for fiscal years ending after December 31, 2021. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. 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. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

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, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

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

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

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

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Board will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Board does not have a policy for custodial credit risk. Federal depository insurance and New Jersey's Governmental Unit Deposit Protection Act mitigate this risk.

Interest Rate Risk - This is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. The Board's investment policy does not include limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

Lakeland Bank - Checking and Money Market Accounts	<u>\$ 8,143,492.48</u>
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The carrying amount of the Board's cash and cash equivalents at June, 30, 2021 was \$8,143,492.48. Of the bank balance, \$250,000.00 was covered by Federal Depository Insurance and \$7,893,492.48 was covered by the Governmental Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., for all New Jersey governmental unit's deposits in excess of the Federal deposit maximums. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40.

Of the total amount, deposits of \$1,322,710.10 have been earmarked towards the Capital Reserve Account (See Note 4).

The District had no securities as of June 30, 2021 that would be considered investments as defined by GASB No. 3 as amended by GASB No. 40.

New Jersey P.L. 2017, c. 310 permits the Board of Education to purchase various investments in accordance with the Board's Cash Management Plan.

4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the district. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-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.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 858,800.10
Increased by:	
Transfer by Board of Education	<u>500,000.00</u>
	1,358,800.10
Decreased by:	
Budgeted Transfer to Capital Outlay	<u>36,090.00</u>
Ending Balance, June 30, 2021	<u><u>\$ 1,322,710.10</u></u>

5. CAPITAL ASSETS

Capital Asset Activity for the year ended June 30, 2021 was as follows:

Capital Asset Activity for the year ended June 30, 2021 was as follows:

	Beginning Balance <u>June 30, 2020</u>	<u>Additions</u>	<u>Retirements</u>	Ending Balance <u>June 30, 2021</u>
Governmental Activities				
Nondepreciable Assets:				
Sites	\$ 300,000.00	-	\$	\$ 300,000.00
Construction-in-Progress	9,160,066.06	4,748,848.32		13,908,914.38
	<u>9,460,066.06</u>	<u>4,748,848.32</u>		<u>14,208,914.38</u>
Depreciable Assets:				
Site Improvements	678,427.40			678,427.40
Buildings and Improvements	36,358,838.89	680,517.98		37,039,356.87
Machinery and Equipment	4,335,585.08	680,517.98		4,335,585.08
	<u>41,372,851.37</u>	<u>680,517.98</u>		<u>42,053,369.35</u>
Total Assets	50,832,917.43	5,429,366.30		56,262,283.73
Less Accumulated Depreciation:				
Buildings and Improvements	(19,860,523.04)	(512,452.00)		(20,372,975.04)
Governmental Activities - Net Capital Assets	<u>\$ 30,972,394.39</u>	<u>\$ 4,916,914.30</u>	\$ -	<u>\$ 35,889,308.69</u>

Business-Type Activities

The following is a summary of Proprietary Fund type capital fixed assets at June 30, 2021:

Machinery and Equipment	\$ 28,469.30
Less: Accumulated Depreciation	(27,968.69)
Net Fixed Assets	<u>\$ 500.61</u>

6. LONG-TERM DEBT

Long-Term Liability Conversion Schedule - June 30, 2021

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year	Long-Term Portion
Bonds Payable	\$23,161,000.00	\$ -	\$ 955,000.00	\$22,206,000.00	\$ 1,366,000.00	\$ 20,840,000.00
Capital Leases	1,736,097.52		164,029.18	1,572,068.34	120,726.40	1,451,341.94
Net Pension Liability	9,174,241.00		1,166,320.00	8,007,921.00		8,007,921.00
Compensated Absences	1,328,322.53		380,926.53	947,396.00		947,396.00
	<u>\$35,399,661.05</u>	<u>\$ -</u>	<u>\$2,666,275.71</u>	<u>\$ 32,733,385.34</u>	<u>\$ 1,486,726.40</u>	<u>\$ 31,246,658.94</u>

6. LONG-TERM DEBT (Continued)

A. 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. Interest rates on outstanding bonds are from 2.00% to 5.00%.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,366,000.00	\$ 578,237.50	\$ 1,944,237.50
2023	1,385,000.00	528,468.75	1,913,468.75
2024	1,300,000.00	473,243.75	1,773,243.75
2025	1,260,000.00	447,062.50	1,707,062.50
2026	1,200,000.00	421,256.25	1,621,256.25
2027 - Thereafter	<u>15,695,000.00</u>	<u>3,684,871.88</u>	<u>19,379,871.88</u>
	<u>\$22,206,000.00</u>	<u>\$6,133,140.63</u>	<u>\$28,339,140.63</u>

B. Bonds Authorized but Not Issued

As of June 30, 2021, the Board had no authorized but not issued bonds.

C. Lease Purchase Agreement

The Board is leasing energy conservation measures (ESIP), technology equipment and Chromebooks totaling \$2,880,136 under capital leases. The following is a schedule of future minimum lease payments under these capital leases and the present value of the net minimum lease payments as of June 30, 2021:

<u>Year</u>	<u>Governmental Activities</u>
June 30, 2022	\$ 155,685.05
June 30, 2023	160,376.09
June 30, 2024	165,179.14
June 30, 2025	170,098.63
June 30, 2026	175,138.89
June 30, 2027	180,298.38
June 30, 2028	185,583.49
June 30, 2029	190,998.66
June 30, 2030	196,542.34
June 30, 2031	<u>193,720.41</u>
Total Minimum Lease Payments	1,773,621.08
Less: Amount Representing Interest	<u>201,552.74</u>
Present Value of Minimum Lease Payments	<u>\$1,572,068.34</u>

7. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P. O. Box 295, Trenton, New Jersey 08625.

Teachers' Pension and Annuity Fund (TPAF)

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

Public Employees' Retirement System (PERS)

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

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Pension benefits for members enrolled in PERS after May 21, 2010 would be based on 1/60th of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member of the member's beneficiary. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

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

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operates and to the benefit provisions of those systems.

7. PENSION PLANS (Continued)

Significant Legislation (Continued)

This new legislation's provisions impacting employee pension and health benefits include:

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

In accordance with the provisions of Chapter 78, P.L. 2011, employee pension contribution rates for TPAF and PERS is currently 7.50% of employees' annual compensation, as defined.

Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premium. Under current statute, the school is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>
June 30, 2021	\$ 511,231	\$ 511,231	100%
June 30, 2020	497,012	497,012	100%
June 30, 2019	536,505	536,505	100%

7. **PENSION PLANS (Continued)**

Contribution Requirements (Continued)

**Three-Year Trend Information for TPAF
(Paid On-Behalf of the District)**

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Post- Retirement Medical Benefits</u>	<u>Long-Term Disability Insurance</u>
June 30, 2021	\$ 4,961,535	100%	\$1,554,868	\$ 2,554
June 30, 2020	3,840,212	100%	1,424,698	2,215
June 30, 2019	3,362,666	100%	1,525,300	2,085

During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$4,961,535 to the TPAF for normal pension, \$1,554,868 for post-retirement medical benefits and \$2,554 for long-term disability insurance On-Behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,385,576.67 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

Teachers' Pension and Annuity Fund (TPAF)

Summary of Significant Accounting Policies

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the State's portion of the net pension liability that was associated with the District was \$113,259,145, as measured on June 30, 2020 and \$102,777,619 as measured on June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$7,042,936 and revenue of \$7,042,936 for support provided by the State. The measurement period for the pension expense and revenue reported in the District's financial statements (A-2) at June 30, 2021 is based upon changes in the collective net pension liability with a measurement period of June 30, 2019 through June 30, 2020. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2019 and June 30, 2020.

7. **PENSION PLANS (Continued)**

Teachers' Pension and Annuity Fund (TPAF) (Continued)

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

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective Deferred Outflows of Resources	\$ 9,932,767,606	\$ 10,077,460,797
Collective Deferred Inflows of Resources	14,424,322,612	17,525,379,167
Collective Net Pension Liability (Nonemployer - State of New Jersey)	65,848,796,740	61,370,943,870
State's Portion of the Net Pension Liability that was Associated with the District	113,259,145	102,777,619
State's Portion of the Net Pension Liability that was Associated with the District as a Percentage of the Collective Net Pension Liability	0.1719988066%	0.1674695094%

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
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%

Preretirement 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 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

7. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

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 real 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market 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.

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

Since the District has no proportionate share of the net pension liability because of the special funding situation, the District would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/documents/financial/gasb/gasb68-tpaf21.pdf>.

7. **PENSION PLANS (Continued)**

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

Public Employees' Retirement System (PERS)

Summary of Significant Accounting Policies

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

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

At June 30, 2021, the District reported a liability of \$8,007,921 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 to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2019. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2020 and 2019. At June 30, 2020, the District's proportion was 0.0491061031%, which was a decrease of 0.0018096194% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$(584,177). At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 145,811	\$ 28,319
Changes of Assumptions	259,786	3,352,992
Changes in Proportion	123,026	1,056,335
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	273,717	
District Contributions Subsequent to the Measurement Date	<u>537,196</u>	
Total	<u>\$ 1,339,536</u>	<u>\$ 4,437,646</u>

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 \$537,196 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2021 the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2021	\$(1,004,848)
2022	(916,116)
2023	(523,537)
2024	(211,709)
2025	(45,788)
	<u>\$(2,701,998)</u>

Additional Information:

Collective balances at June 30, 2020 and 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability (Nonstate - Local Group)	16,435,616,426	18,143,832,135
District's Portion of Net Pension Liability	8,007,921	9,174,241
District's Proportion Percentage	0.0491061031%	0.0509157224%

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

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%

7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Preretirement 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 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long-Term 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market 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%

7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 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 net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability measured as of June 30, 2020, calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	At 1% Decrease ¶ (6.00%)	Current Discount Rate ¶ (7.00%)	At 1% Increase ¶ (8.00%)
District's Proportionate Share of the Collective Net Pension Liability	\$10,159,905.00	\$8,070,891.00	\$6,298,305.00

Pension Plan Fiduciary Net Position

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

8. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

The State of New Jersey provides post-retirement (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.

8. POST-RETIREMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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. 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.

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

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 GASB's No. 75.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB's No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State CAFR on the Office of Management and Budget webpage: nj.gov/treasury/omb/fr.shtm.

Actual assumptions and other imputes. The total OPEB liability in the June 30, 2020 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability	\$ 67,809,962,608	
Inflation Rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
	Based on	Based on
	Service Years	Service Years
Thereafter	1.55% - 4.45%	3.00% - 7.00%
	Based on	Based on
	Service Years	Service Years

8. POST-RETIREMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

Preretirement mortality rates were based on the Pub-2010 Health "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 the Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018 and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions

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 rates 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 seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	<u>Increase/(Decrease)</u>
	<u>Total OPEB Liability</u>
Balance as of June 30, 2019 Measurement Date	<u>\$41,729,081,045</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,790,973,822
Interest on the Total OPEB Liability	1,503,341,357
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Gross Benefit Payments ¹	(1,180,515,618)
Contributions from the Non-Employer	N/A
Contributions from the Member ¹	35,781,384
Net Investment Income ¹	N/A
Administrative Expense ¹	N/A
Net Changes	<u>26,080,881,563</u>
Balance as of June 30, 2020 Measurement Date	<u>\$67,809,962,608</u>

¹Data for Measurement Periods Ending June 30, 2020 were provided by the State.

8. POST-RETIREMENT BENEFITS (Continued)

Changes in the Total OPEB Liability Reported by the State of New Jersey (Continued)

At June 30, 2020, the State's proportionate share of the OPEB liability attributable to the District is \$102,769,493. 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 0.1516 percent, which was a decrease of .0002 percent from its proportionate share measured as of June 30, 2019 of .1518 percent.

There were no changes of benefit term.

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

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

The following presents the total nonemployer OPEB liability as of June 30, 2020 and 2019, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	June 30, 2020		
	At 1% Decrease # (1.21%)	At Discount Rate # (2.21%)	At 1% Increase # (3.21%)
Total OPEB Liability (School Retirees)	\$123,893,928	\$102,769,493	\$86,252,219
	June 30, 2019		
	At 1% Decrease # (2.50%)	At Discount Rate # (3.50%)	At 1% Increase # (4.50%)
Total OPEB Liability (School Retirees)	\$ 74,810,219	\$ 63,323,620	\$54,199,295

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

The following presents the total nonemployer OPEB liability as of June 30, 2020 and 2019, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

8. **POST-RETIREMENT BENEFITS (Continued)**

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate (Continued)

	June 30, 2020		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ 57,762,654	\$ 69,883,344	\$ 85,913,420

	June 30, 2019		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ 52,175,840	\$ 63,323,620	\$ 78,080,991

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$4,979,977 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB's No. 75 and in which there is a special funding situation. 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.

In accordance with GASB's No. 75, the Mountain Lakes Board of Education proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
(1) Difference Between Actual and Expected Experience	\$ 10,295,318,750	\$ (9,170,703,615)
(2) Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	-	-
(3) Assumption Changes	<u>11,534,251,250</u>	<u>(7,737,500,827)</u>
(4) Sub-Total	21,829,570,000	(16,908,204,442)
(5) Contributions Made in Fiscal Year Ending 2020 After June 30, 2019 Measurement Date ¹	<u>TBD</u>	<u>N/A</u>
(6) Total	<u>\$ 21,829,570,000</u>	<u>\$(16,908,204,442)</u>

¹Employer contributions made after June 30, 2020 are reported as a deferred outflow of resources but are not amortized in expense.

8. **POST-RETIREMENT BENEFITS (Continued)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

<u>Measurement Period Ending June 30,</u>	
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>

9. **DEFINED CONTRIBUTION RETIREMENT PROGRAM**

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the base salary required for eligibility in the DCRP was increased to \$5,000.00.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

9. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan for the past three years are as follows:

<u>Year</u>	<u>School District</u>
2021	\$26,914.18
2020	31,104.07
2019	26,374.98

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. The current portion of the compensated absences balance of the governmental funds is reported separately on the Statement of Net Position.

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 Proprietary Fund types.

11. DEFERRED COMPENSATION

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

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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 Comprehensive Annual Financial Report.

12. RISK MANAGEMENT (Continued)

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.

13. INTERFUND RECEIVABLES AND PAYABLES

The following are reflected as interfund receivables and payables on the various balance sheets at June 30, 2021:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$140,041.17	\$ 37,453.03
Special Revenue Fund	37,453.03	
Debt Service Fund		140,041.17
	<u>\$177,494.20</u>	<u>\$177,494.20</u>

14. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2021 consisted of Federal Source, State Sources and transportation. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables are as follows:

	<u>Governmental Fund Financial Statements</u>
State Aid:	
General Fund:	
TPAF FICA Reimbursement	\$ 68,150.85
Extraordinary Aid	245,660.00
	<u>\$313,810.85</u>
Special Revenue Fund:	
State Source	<u>\$ 6,844.47</u>
Federal Source	<u>\$296,893.40</u>

15. INVENTORY

Inventory in the Enterprise Fund for regular food and supplies at June 30, 2021 was \$6,832.99 and is stated at lower of cost or market.

16. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$3,915,813.96 General Fund fund balance at June 30, 2021, \$648,293.41 is reserved for encumbrances; \$1,322,710.10 has been reserved in the Capital Reserve Account; \$8,206.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2021; \$100,000.00 has been reserved in the Tuition Reserve; \$96,716.14 is reserved as excess surplus designated for subsequent years' expenditures; \$372,388.34 is reserved for unemployment compensation and \$1,367,499.97 is unreserved and undesignated.

Special Revenue Fund - Of the \$496,803.93 Special Revenue Fund fund balance at June 30, 2021, \$138,504.36 is restricted for the scholarship fund and \$358,299.57 for student activities.

Debt Service Fund - Of the \$91.95 Debt Service Fund balance at June 30, 2021, \$91.95 is unreserved and undesignated.

Capital Project Fund - Of the \$3,489,289.84 Capital Projects Fund balance at June 30, 2021, \$3,489,289.84 is unreserved and undesignated.

17. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18:7F-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 fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The reserve balance of \$96,716.14 will be appropriated in the fiscal year 2022-2023. There was no excess surplus - current year.

18. SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

19. CONTINGENT LIABILITIES

A. Litigation

The Management did not indicate any litigation, claims or contingent liabilities that are either not covered by the Board's insurance carrier or would have a material financial impact on the Board.

B. Federal and State Awards

The School District participates in several federal and state grant and aid programs which are governed by various rules and regulations of the grantor agencies, therefore, to the extent that the School District has not complied with the rules and regulations governing the grants or aid, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore, no provisions have been recorded in the accompanying general purpose financial statements for such contingencies.

20. RECONCILIATION OF FUND BALANCE - GENERAL FUND

The Surpluses are presented on a GAAP basis and a reconciliation from the budget basis to the GAAP basis is as follows:

	<u>Unreserved and Designated</u>
Balance on a Budget Basis on the General Fund Budgetary Basis Comparison	\$4,002,326.96
Less: Allocation of State Aid Payment of Not Recognized on a GAAP Basis	<u>(86,513.00)</u>
Balances on a GAAP Basis on the Governmental Fund Balance Sheet	<u>\$3,915,813.96</u>

21. TAX ABATEMENTS

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

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

22. PRIOR PERIOD ADJUSTMENT - GASB No. 84

The District implemented GASB No. 84 related to former Fiduciary Funds being reclassified into the Governmental Funds. The reasoning related to the fact that the District has control of the funds and as such, are more properly reflected in the Governmental Funds. The reclassification was reflected as a prior period adjustment to the Governmental Funds - Statement of Revenues, Expenditures and Change in Fund Balances (B-2) (basic financial statements B-2) and the Statement of Activities (A-2), effective July 1, 2020, and no retroactive restatement of financial statements was done since financial statements are not comparative. The reclassification involved liabilities and fund balance with no adverse impact on the financial position of the District.

23. SUBSEQUENT EVENT

The Mountain Lakes School District has evaluated subsequent events that occurred after the balance sheet date, but before February 10, 2022. Based upon this evaluation, the District has determined that the following subsequent event needed to be disclosed:

Subsequent to the date of these financial statements, the COVID-19 Corona Virus continued to spread across the State of New Jersey and the Nation as a whole. The impact of this view on the District's operation in Fiscal Year 2022 cannot be reasonably estimated at this time, but may negatively affect revenues and expenditures.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. BUDGETARY COMPARISON SCHEDULES

MOUNTAIN LAKES BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 22,114,823.00	\$	\$ 22,114,823.00	\$ 22,114,825.00	\$ 2.00
Tuition					
Tuition-From Individuals	596,576.00		596,576.00	688,387.25	(8,188.75)
Tuition From Other LEAs Within the State	12,904,313.00		12,904,313.00	12,825,201.17	(79,111.83)
Tuition From Other Sources	200,000.00		200,000.00		(200,000.00)
Tuition From Summer School	450,000.00		450,000.00	440,427.00	(9,573.00)
Total Tuition	14,150,889.00		14,150,889.00	13,854,015.42	(296,873.58)
Unrestricted Miscellaneous Revenues	99,850.00		99,850.00	49,433.85	50,416.15
Interest Earned on Capital Reserve Funds	150.00		150.00		(150.00)
Other Restricted Miscellaneous Revenues				871.43	871.43
Total Local Sources	36,365,712.00		36,365,712.00	36,019,145.70	(346,566.30)
Revenues from Intermediate Sources:					
Total Revenues from Intermediate Sources					
State Sources:					
Extraordinary Aid				245,660.00	245,660.00
Security Categorical Aid	38,961.00		38,961.00	38,961.00	
Special Education Categorical Aid	850,798.00	(54,701.00)	796,095.00	796,095.00	
Transportation Categorical Aid	78,377.00		78,377.00	78,377.00	
Nonbudgeted:					
On-Behalf Contributions:					
TPAF - Pension Contribution				4,961,535.00	4,961,535.00
TPAF - Long-Term Disability Contribution				2,554.00	2,554.00
TPAF - Post-Retirement Medical Contribution				1,554,868.00	1,554,868.00
Reimbursed TPAF Social Security Contributions				1,385,576.67	1,385,576.67
Total State Sources	968,134.00	(54,701.00)	913,433.00	9,063,626.67	8,150,193.67
Total Revenues	\$ 37,333,846.00	\$ (54,701.00)	\$ 37,279,145.00	\$ 45,082,772.37	\$ 7,803,627.37
EXPENDITURES					
Current Expense					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	375,499.00	(116,586.26)	258,912.74	258,415.85	496.89
Grades 1-5 - Salaries of Teachers	2,666,543.00		2,729,440.00	2,710,062.14	19,377.86
Grades 6-8 - Salaries of Teachers	1,859,459.00	160,276.50	2,019,735.50	2,017,626.18	2,109.32
Grades 9-12 - Salaries of Teachers	4,418,550.00	54,652.00	4,473,202.00	4,463,290.76	9,911.24
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000.00	12,220.00	17,220.00	11,281.54	5,938.46
Purchased Professional-Educational Services	5,000.00		5,000.00	585.20	4,414.80
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	178,306.00	19,945.00	198,251.00	198,002.56	248.44
Purchased Professional-Educational Services		102,800.00	102,800.00	94,073.98	8,726.02
Purchased Technical Services	138,000.00	17,157.62	155,157.62	123,590.17	31,567.45
Other Purchased Services (400-500 Series)	198,488.00	40,223.48	238,711.48	201,347.02	37,364.46
General Supplies	432,600.00	(14,367.70)	418,232.30	314,625.14	103,607.16
Textbooks	57,650.00	(12,380.40)	45,269.60	31,208.67	14,060.93
Other Objects	18,955.00	(1,761.26)	17,193.74	10,565.20	6,628.54
TOTAL REGULAR PROGRAMS - INSTRUCTION	10,354,050.00	325,075.98	10,679,125.98	10,434,674.41	244,451.57
SPECIAL EDUCATION - INSTRUCTION					
Visual Impairments:					
Salaries of Teachers	13,000.00	(803.00)	12,197.00	6,118.35	6,078.65
Total Visual Impairments	13,000.00	(803.00)	12,197.00	6,118.35	6,078.65
Auditory Impairments:					
Salaries of Teachers	3,911,552.50	(266,673.00)	3,644,879.50	3,634,857.79	10,021.71
Other Salaries for Instruction	782,658.31	(151,206.81)	631,451.50	692,417.30	39,034.20
General Supplies		348.55	348.55	143.00	205.55
Other Objects		190,777.00	190,777.00	58,945.02	131,831.98
Total Auditory Impairments	4,694,210.81	(226,754.26)	4,467,456.55	4,286,363.11	181,093.44
Resource Room/Resource Center:					
Salaries of Teachers	1,712,190.00	64,994.81	1,777,184.81	1,776,381.41	803.40
General Supplies	5,650.00	693.31	6,343.31	2,118.03	4,225.28
Textbooks	1,200.00	193.76	1,393.76	93.74	1,300.02
Total Resource Room/Resource Center	1,719,040.00	65,881.88	1,784,921.88	1,778,593.18	6,328.70
Home Instruction:					
Salaries of Teachers	355,895.00	41,348.00	397,243.00	397,158.10	84.90
Other Purchased Services (400-500 series)	13,200.00	341.58	13,541.58	3,594.69	9,946.89
General Supplies	1,000.00		1,000.00		1,000.00
Total Home Instruction	370,095.00	41,689.58	411,784.58	400,752.79	11,031.79
TOTAL SPECIAL EDUCATION - INSTRUCTION	6,796,345.81	(119,965.80)	6,676,360.01	6,471,827.43	204,532.58

MOUNTAIN LAKES BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Basic Skills/Remedial - Instruction	\$	\$	\$	\$	\$
Salaries of Teachers	71,945.00	(48,445.00)	23,500.00		23,500.00
Total Basic Skills/Remedial - Instruction	<u>71,945.00</u>	<u>(48,445.00)</u>	<u>23,500.00</u>		<u>23,500.00</u>
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	257,726.00	9,282.00	267,008.00	231,336.08	35,671.92
Supplies and Materials	6,200.00	534.77	6,734.77	2,243.86	4,490.91
Other Objects	33,200.00	3,831.00	37,031.00	11,482.74	25,548.26
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	<u>297,126.00</u>	<u>13,647.77</u>	<u>310,773.77</u>	<u>245,062.68</u>	<u>65,711.09</u>
School-Sponsored Athletics - Instruction:					
Salaries	596,189.00	33,895.00	630,084.00	600,598.26	29,485.74
Supplies and Materials	4,130.00	17,367.95	21,497.95	14,714.07	6,783.88
Other Objects	179,607.00	(13,234.94)	166,372.06	166,249.69	10,122.37
Total School-Sponsored Athletics - Instruction	<u>779,926.00</u>	<u>38,028.01</u>	<u>817,954.01</u>	<u>771,562.02</u>	<u>46,391.99</u>
Total Instruction	<u>18,299,392.81</u>	<u>208,320.96</u>	<u>18,507,713.77</u>	<u>17,923,126.54</u>	<u>584,587.23</u>
Undistributed Expenditures - Instruction:					
Tuition to County Vocational School - Regular	148,760.00		148,760.00	113,832.00	34,928.00
Tuition to Private Schools for the Handicapped - Within State	1,030,110.45	(103,404.22)	926,706.23	773,283.81	153,422.42
Tuition - Other		257,624.80	257,624.80	257,624.80	
Total Undistributed Expenditures - Instruction	<u>1,178,870.45</u>	<u>154,220.58</u>	<u>1,333,091.03</u>	<u>1,144,740.61</u>	<u>188,350.42</u>
Undistributed Expenditures - Health Services:					
Salaries	658,087.00	37,029.50	695,116.50	692,355.55	2,760.95
Purchased Professional and Technical Services	345,000.00	24,084.61	369,084.61	262,349.81	106,734.80
Supplies and Materials	9,300.00	697.66	9,997.66	8,130.22	1,867.44
Total Undistributed Expenditures - Health Services	<u>1,012,387.00</u>	<u>61,811.77</u>	<u>1,074,198.77</u>	<u>962,835.58</u>	<u>111,363.19</u>
Undist. Expend. - Speech, OT, PT, Related Svcs.:					
Salaries	160,032.00	5,542.00	165,574.00	165,083.40	490.60
Supplies and Materials	500.00		500.00	398.95	101.05
Total Undist. Expend. - Speech, OT, PT, Related Svcs.	<u>160,532.00</u>	<u>5,542.00</u>	<u>166,074.00</u>	<u>165,482.35</u>	<u>591.65</u>
Undist. Expend.-Other Supp.Serv.Students-Extraordinary Services:					
Salaries	373,513.31	(69,177.00)	304,336.31	283,839.84	20,496.47
Total Undist. Expend.-Other Supp.Serv.Students-Extraordinary Services	<u>373,513.31</u>	<u>(69,177.00)</u>	<u>304,336.31</u>	<u>283,839.84</u>	<u>20,496.47</u>
Undistributed Expenditures - Guidance Service:					
Salaries of Other Professional Staff	863,216.84	(56,430.00)	806,786.84	782,787.38	23,999.46
Salaries of Secretarial and Clerical Assistants	68,030.00	34,600.00	102,630.00	101,628.72	1,001.28
Other Salaries	750.00		750.00		750.00
Other Purchased Services (400-500 series)	2,000.00		2,000.00		2,000.00
Supplies and Materials	20,500.00		20,500.00	8,600.89	11,899.11
Other Objects	6,700.00		6,700.00	4,542.00	2,158.00
Total Undistributed Expenditures - Guidance Service	<u>961,196.84</u>	<u>(21,830.00)</u>	<u>939,366.84</u>	<u>897,558.99</u>	<u>41,807.85</u>
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	698,629.00	9,228.16	707,857.16	688,921.67	18,935.49
Salaries of Secretarial and Clerical Assistants	103,971.58	(12,026.16)	91,945.42	91,944.80	0.62
Supplies and Materials	2,210.00	1,070.95	3,280.95	2,737.69	543.26
Other Objects	3,000.00	246.50	3,246.50	219.00	3,027.50
Total Undistributed Expenditures - Child Study Team	<u>807,810.58</u>	<u>(1,480.55)</u>	<u>806,330.03</u>	<u>783,823.16</u>	<u>22,506.87</u>
Undistributed Expenditures - Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	662,521.00	97,355.00	759,876.00	759,519.33	356.67
Salaries of Other Professional Staff	80,000.00	81,443.91	161,443.91	161,443.68	0.23
Other Purchased Services (400-500 Series)	2,000.00		2,000.00		2,000.00
Other Objects	5,700.00		5,700.00	5,315.00	385.00
Total Undistributed Expenditures - Improvement of Instructional Services	<u>750,221.00</u>	<u>178,798.91</u>	<u>929,019.91</u>	<u>926,278.01</u>	<u>2,741.90</u>
Undistributed Expenditures - Educational Media Services/School Library:					
Salaries	297,366.00	34,200.00	331,566.00	331,438.00	128.00
Supplies and Materials	38,490.00	540.45	39,030.45	27,487.72	11,542.73
Other Objects	1,000.00	322.00	1,322.00	1,321.87	0.13
Total Undistributed Expenditures - Educational Media Services/School Library	<u>336,856.00</u>	<u>35,062.45</u>	<u>371,918.45</u>	<u>360,247.59</u>	<u>11,670.86</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	12,580.00	(1,481.50)	11,118.50	2,508.50	8,610.00
Other Objects	27,550.00	(18,000.00)	9,550.00	1,908.55	7,641.45
Total Undistributed Expenditures - Instructional Staff Training Services	<u>40,130.00</u>	<u>(19,481.50)</u>	<u>20,648.50</u>	<u>4,417.05</u>	<u>16,231.45</u>
Undistributed Expenditures - Support Services - General Administration:					
Salaries	394,219.50	4,669.22	398,888.72	394,422.36	4,466.36
Legal Services	95,000.00	(3,500.00)	91,500.00	44,804.98	46,695.02
Audit Fees	32,000.00	28,150.00	60,150.00	28,150.00	32,000.00
Other Purchased Professional Services	26,160.00	20,451.42	46,611.42	40,234.52	6,376.90
Purchased Technical Services	12,000.00	4,532.50	16,532.50	15,032.50	1,500.00
Communications / Telephone	38,139.00	15,297.79	53,436.79	22,541.56	30,895.23
BOE Other Purchased Services	5,000.00	(2,212.00)	2,788.00	1,951.50	836.50
Other Purch. Serv. (400-500 series other than 530 & 585)	18,750.00	(1,567.64)	17,182.36	10,582.59	6,619.77
General Supplies	6,950.00	3,080.53	10,030.53	6,158.78	3,871.75
BOE In-house training/ Meeting Supplies	403.00	(150.00)	253.00		253.00
Judgments Against The School District		10,000.00	10,000.00	10,000.00	
Miscellaneous Expenditures	2,000.00		2,000.00	290.55	1,709.45

MOUNTAIN LAKES BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
BOE Membership Dues and Fees	\$ 17,250.00	\$ 2,212.00	\$ 19,462.00	\$ 17,521.05	\$ 1,940.95
Total Undistributed Expenditures - Support Services - General Administration	647,871.50	80,963.82	728,835.32	591,470.39	137,364.93
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	759,090.00	(70,027.95)	689,062.05	687,651.07	1,410.98
Salaries of Other Professional Staff	131,325.00	(4,890.00)	126,435.00	126,375.78	59.22
Salaries of Secretarial and Clerical Assistants	576,886.00	(63,514.72)	513,371.28	505,622.98	7,748.30
Unused Vacation Payment to Terminated/Retired Staff		2,221.23	2,221.23	2,221.23	
Other Purchased Services (400-500 Series)	5,050.00	233.60	5,283.60	525.00	4,758.60
Supplies and Materials	50,300.00	2,257.63	52,557.63	35,762.81	16,794.82
Other Objects	18,150.00	(2,810.00)	15,340.00	7,311.00	8,029.00
Total Undistributed Expenditures - Support Services - School Administration	1,540,801.00	(136,530.21)	1,404,270.79	1,365,469.87	38,800.92
Undistributed Expenditures - Central Services:					
Salaries	416,778.36	45,118.57	460,896.93	458,425.68	2,471.25
Unused Vacation Payment to Terminated/Retired Staff		6,941.78	6,941.78	6,536.54	405.24
Miscellaneous Purchased Services (400-500 series other than 594)	3,450.00	(1,098.64)	2,351.36	1,306.14	1,045.22
Supplies and Materials	2,500.00		2,500.00	2,481.12	18.88
Other Objects	11,900.00	(4,106.19)	7,793.81	5,922.59	1,871.22
Total Undistributed Expenditures - Central Services	433,628.36	46,855.52	480,483.88	474,672.07	5,811.81
Undistributed Expenditures - Administrative Information Technology:					
Supplies and Materials	500.00	(500.00)			
Other Objects	2,350.00	(2,320.00)	30.00		30.00
Total Undistributed Expenditures - Administrative Information Technology	2,850.00	(2,820.00)	30.00		30.00
Undistributed Expenditures - Operations and Maintenance of Plant Services:					
Undlst. Expend. - Required Maintenance for School Facilities:					
Salaries	214,019.00	79,679.50	293,698.50	289,629.74	4,068.76
Unused Vacation Payment to Terminated/Retired Staff		11,119.44	11,119.44	11,119.44	
Cleaning, Repair, and Maintenance Services	257,587.00	(22,533.20)	235,053.80	212,493.15	22,560.65
General Supplies	59,000.00	8,559.85	67,559.85	59,903.01	7,656.84
Other Objects	900.00	500.00	1,400.00	1,400.00	
Total Undlst. Expend. - Required Maintenance for School Facilities	531,506.00	77,325.59	608,831.59	574,545.34	34,286.25
Undistributed Expenditures - Custodial Services:					
Salaries	1,082,706.00	(30,620.89)	1,052,085.11	1,012,915.88	39,169.23
Unused Vacation Payment to Terminated/Retired Staff		15,267.55	15,267.55	15,267.55	
Cleaning, Repair, and Maintenance Services	382,734.00	30,870.97	413,604.97	377,486.46	36,118.51
Lease Purchase Pymts - Energy Savings Impr Prog	175,178.03		175,178.03	175,178.02	0.01
Other Purchased Property Services	40,000.00	(7,500.00)	32,500.00	13,639.16	18,860.84
Insurance	213,720.00	(16,456.20)	197,263.80	192,928.20	4,335.60
General Supplies	156,750.00	17,323.75	174,073.75	89,558.41	84,515.34
Energy (Natural Gas)	203,940.00	9,204.44	213,144.44	199,258.60	13,885.84
Energy (Electricity)	212,000.00	(7,251.00)	204,749.00	202,547.32	2,201.68
Other Objects	700.00	200.00	900.00	178.00	722.00
Total Undistributed Expenditures - Custodial Services	2,467,728.03	11,038.62	2,478,766.65	2,278,957.60	199,809.05
Undistributed Expenditures - Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	50,000.00	23,425.00	73,425.00	55,559.09	17,865.91
General Supplies		12,900.00	12,900.00	12,608.24	291.76
Other Objects	31,000.00	(15,207.36)	15,792.64	15,118.01	674.63
Total Undistributed Expenditures - Care and Upkeep of Grounds	81,000.00	21,117.64	102,117.64	83,285.34	18,832.30
Undistributed Expenditures - Security:					
Cleaning, Repair, and Maintenance Services		575.00	575.00		575.00
Total Undistributed Expenditures - Security		575.00	575.00		575.00
Total Undistributed Expenditures - Operations and Maintenance of Plant Services	3,080,234.03	110,056.85	3,190,290.88	2,936,788.28	253,502.60
Undistributed Expenditures - Student Transportation Services:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Spl. Ed.	17,000.00		17,000.00	1,332.02	15,667.98
Cleaning, Repair, and Maint. Services		6,632.00	6,632.00	6,631.83	0.17
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts.	30,000.00	8,783.23	38,783.23	18,055.55	20,727.68
Contract. Serv.(Bet. Home & Sch.)-Vendors	70,000.00	47,500.00	117,500.00	93,968.34	23,531.66
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	140,000.00	75,906.66	215,906.66	152,162.80	63,743.86
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	262,000.00	(25,000.00)	237,000.00	236,807.04	192.96
Misc. Purchased Serv. - Transportation		1,450.00	1,450.00	900.00	550.00
Transportation Supplies	9,500.00	1,100.00	10,600.00	10,317.28	282.72
Other Objects	1,000.00		1,000.00	410.00	590.00
Total Undistributed Expenditures - Student Transportation Services	529,500.00	116,371.89	645,871.89	520,584.86	125,287.03
UNALLOCATED BENEFITS:					
Social Security Contributions	545,000.00	(15,440.00)	529,560.00	448,451.47	81,108.53
Other Retirement Contributions - PERS	500,000.00	37,196.00	537,196.00	536,873.08	322.92
Other Retirement Contributions - Regular	34,500.00		34,500.00	26,914.18	7,585.82
Workers' Compensation	180,000.00	1,429.00	181,429.00	181,429.00	
Health Benefits	5,014,662.12	(241,886.61)	4,772,775.51	4,588,896.01	183,879.50
Tuition Reimbursement	80,000.00	2,183.00	82,183.00	75,786.00	6,397.00
Other Employee Benefits	127,500.00	44,868.00	172,368.00	152,888.10	19,679.90
Unused Sick Payment to Terminated/Retired Staff	50,000.00	39,932.61	89,932.61	76,388.88	13,543.73
TOTAL UNALLOCATED BENEFITS	6,531,662.12	(131,718.00)	6,399,944.12	6,087,426.72	312,517.40
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	6,531,662.12	(131,718.00)	6,399,944.12	6,087,426.72	312,517.40
ON-BEHALF CONTRIBUTIONS:					

MOUNTAIN LAKES BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
On-Behalf TPAF Pension Contributions (Nonbudgeted)	\$	\$	\$	\$ 4,961,535.00	\$ (4,961,535.00)
On-Behalf TPAF Post-Retirement Medical Benefits (Nonbudgeted)				1,654,868.00	(1,654,868.00)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,385,576.67	(1,385,576.67)
On-Behalf TPAF Long-Term Disability Insurance (Nonbudgeted)				2,554.00	(2,554.00)
TOTAL TPAF PENSION/SOCIAL SECURITY				<u>7,904,533.67</u>	<u>(7,904,533.67)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>18,388,064.19</u>	<u>406,666.53</u>	<u>18,794,730.72</u>	<u>25,410,169.04</u>	<u>(6,615,438.32)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>36,687,457.00</u>	<u>614,987.49</u>	<u>37,302,444.49</u>	<u>43,333,295.58</u>	<u>(6,030,851.09)</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 9-12		6,830.00	6,830.00		6,830.00
Special Education - Instruction:					
Auditory Impairments		9,092.00	9,092.00		9,092.00
Undistributed:					
Undist. Expend. - Custodial Services		15,329.00	15,329.00		15,329.00
Total Equipment		<u>31,251.00</u>	<u>31,251.00</u>		<u>31,251.00</u>
Facilities Acquisition and Construction Services:					
Construction Services		634,819.73	634,819.73	632,219.98	2,599.75
Assessment for Debt Service on SDA Funding	48,298.00		48,298.00	48,298.00	
Total Facilities Acquisition and Construction Services	<u>48,298.00</u>	<u>634,819.73</u>	<u>683,117.73</u>	<u>680,517.98</u>	<u>2,599.75</u>
TOTAL CAPITAL OUTLAY	<u>48,298.00</u>	<u>666,070.73</u>	<u>714,368.73</u>	<u>680,517.98</u>	<u>33,850.75</u>
SPECIAL SCHOOLS					
Summer School - Instruction:					
Salaries of Teachers	191,500.00	(28,040.00)	163,460.00	116,959.72	46,500.28
Other Salaries for Instruction	130,000.00	(32,467.00)	97,533.00	70,780.07	26,752.93
Purchased Professional and Technical Services	12,000.00		12,000.00	9,887.00	2,113.00
General Supplies	4,000.00		4,000.00	64.61	3,935.39
Total Summer School - Instruction	<u>337,500.00</u>	<u>(60,507.00)</u>	<u>276,993.00</u>	<u>197,691.40</u>	<u>79,301.60</u>
Summer School - Support Services					
Salaries	12,500.00		12,500.00		12,500.00
Personal Services - Employee Benefits	100,000.00	(54,701.00)	45,299.00		45,299.00
Total Summer School - Support Services	<u>112,500.00</u>	<u>(54,701.00)</u>	<u>57,799.00</u>		<u>57,799.00</u>
Total Summer School	<u>450,000.00</u>	<u>(115,208.00)</u>	<u>334,792.00</u>	<u>197,691.40</u>	<u>137,100.60</u>
Other Special Schools - Instruction					
Salaries of Teachers	165,000.00		165,000.00	26,603.70	138,396.30
General Supplies	15,000.00	728.75	15,728.75	4,381.25	11,347.50
Other Objects	45,000.00		45,000.00		45,000.00
Total Other Special Schools - Instruction	<u>225,000.00</u>	<u>728.75</u>	<u>225,728.75</u>	<u>30,984.95</u>	<u>194,743.80</u>
Other Special Schools - Support Services					
Supplies and Materials	60,000.00		60,000.00		60,000.00
Total Other Special Schools - Support Services	<u>60,000.00</u>		<u>60,000.00</u>		<u>60,000.00</u>
Total Other Special Schools	<u>285,000.00</u>	<u>728.75</u>	<u>285,728.75</u>	<u>30,984.95</u>	<u>254,743.80</u>
TOTAL SPECIAL SCHOOLS	<u>735,000.00</u>	<u>(114,479.25)</u>	<u>620,520.75</u>	<u>228,676.35</u>	<u>391,844.40</u>
Transfer of Funds to Charter Schools	14,869.00		14,869.00	12,368.00	2,501.00
TOTAL EXPENDITURES	<u>37,485,824.00</u>	<u>1,166,578.97</u>	<u>38,652,202.97</u>	<u>44,254,857.91</u>	<u>(5,602,654.94)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(151,778.00)</u>	<u>(1,221,279.97)</u>	<u>(1,373,057.97)</u>	<u>827,914.46</u>	<u>2,200,972.43</u>
Other Financing Sources (Uses):					
Operating Transfer Out:					
Transfer to Food Service Fund - Board Contribution	(48,700.00)	(5,786.85)	(54,486.85)	(24,258.60)	(30,228.25)
Cancellation of Prior Year Accounts Receivable				(307,054.30)	307,054.30
Total Other Financing Sources (Uses)	<u>(48,700.00)</u>	<u>(5,786.85)</u>	<u>(54,486.85)</u>	<u>(331,312.90)</u>	<u>276,826.05</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Sources (Uses)	<u>(200,478.00)</u>	<u>(1,227,066.82)</u>	<u>(1,427,544.82)</u>	<u>496,601.56</u>	<u>2,477,798.48</u>
Fund Balance, July 1	3,134,208.49		3,134,208.49	3,134,208.49	
Prior Period Adjustment				371,516.91	***
Fund Balances, July 1, Restated	<u>3,134,208.49</u>		<u>3,134,208.49</u>	<u>3,505,725.40</u>	
Fund Balance, June 30	<u>\$ 2,933,730.49</u>	<u>\$ (1,227,066.82)</u>	<u>\$ 1,706,663.67</u>	<u>\$ 4,002,326.96</u>	<u>\$ 2,477,798.48</u>
Recapitulation:					
Fund Balances:					
Restricted for:					
Excess Surplus - Current Year				\$ 96,716.14	
Capital Reserve				1,322,710.10	

MOUNTAIN LAKES BOARD OF EDUCATION
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Tuition Reserve - Contract Year				100,000.00	
Unemployment Compensation Claims Reserve				372,388.34	
Committed to:					
Year-End Encumbrances				648,293.41	
Assigned for:					
Designated for Subsequent Year's Expenditures				8,206.00	
Unassigned:					
General Fund				1,454,012.97	
Total Fund Balances				4,002,326.96	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(86,513.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 3,915,813.96	

* Include interest earnings on the unemployment compensation bank account

** Include interest earnings on the flexible benefits bank account

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

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual	
REVENUES:						
Federal Sources	\$ 234,544.00	\$ 346,716.00	\$ 581,260.00	\$ 418,445.03	\$ 162,814.97	
State Sources		257,646.20	257,646.20	102,212.51	155,433.69	
Local Sources		521,047.32	521,047.32	795,579.32	(274,532.00)	Note 1
Total Revenues	<u>234,544.00</u>	<u>1,125,409.52</u>	<u>1,359,953.52</u>	<u>1,316,236.86</u>	<u>43,716.66</u>	
EXPENDITURES:						
Instruction:						
Salaries of Teachers		419,735.20	419,735.20	94,414.00	325,321.20	
Purchased Professional-Educational Services		92,939.00	92,939.00	51,011.00	41,928.00	
Other Purchased Services (400-500 series)		61,482.00	61,482.00		61,482.00	
Tuition- Private/Out of State (Includes APPSD's)	215,515.00	37,390.00	252,905.00	252,905.00		
General Supplies		303,506.32	303,506.32	271,227.89	32,278.43	
Other Objects		101,770.00	101,770.00		101,770.00	
Total Instruction	<u>215,515.00</u>	<u>1,016,822.52</u>	<u>1,232,337.52</u>	<u>669,557.89</u>	<u>562,779.63</u>	
Support Services:						
Purchased Professional - Technical Services	19,029.00	61,000.00	80,029.00	72,278.71	7,750.29	
Supplies and Materials		47,587.00	47,587.00	46,373.00	1,214.00	
Scholarships Awarded				438,247.15	(438,247.15)	Note 1
Student Activities				32,378.64	(32,378.64)	Note 1
Total Support Services	<u>19,029.00</u>	<u>108,587.00</u>	<u>127,616.00</u>	<u>589,277.50</u>	<u>(461,861.50)</u>	
Total Expenditures	<u>234,544.00</u>	<u>1,125,409.52</u>	<u>1,359,953.52</u>	<u>1,258,835.39</u>	<u>101,118.13</u>	
Other Financing Sources (Uses):						
Total Other Financing Sources (Uses)						
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 57,401.47</u>	<u>\$ (57,401.47)</u>	
Fund Balance, July 1						
Prior Period Adjustment				439,402.46		
Fund Balance, July 1 (Restated)						
				439,402.46		
Fund Balance, June 30						
				<u>\$ 496,803.93</u>		
Recapitulation:						
Restricted:						
Scholarships				\$ 138,504.36		
Student Activities				359,299.57		
Total Fund Balance				<u>\$ 496,803.93</u>		

Note 1 Not required to budget for Scholarships and Student Activities funds.

MOUNTAIN LAKES BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION - Part II
 BUDGET-TO-GAAP RECONCILIATION
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 45,082,772.37	[C-2]	\$ 1,316,236.86
Difference - Budget-to-GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				(18,759.73)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.		78,245.00		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	[C-1]	<u>(86,513.00)</u>		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>\$ 45,074,504.37</u>	[B-2]	<u>\$ 1,297,477.13</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 44,254,857.91	[C-2]	\$ 1,258,835.39
Differences - Budget-to-GAAP:				
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary purposes</i> , but in the year the supplies are received for <i>financial reporting purposes</i> .				(18,759.73)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 44,254,857.91</u>	[B-2]	<u>\$ 1,240,075.66</u>

The general fund budget basis is GAAP, therefore no reconciliation is required.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

Note: GASB 68 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

MOUNTAIN LAKES BOARD OF EDUCATION
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST EIGHT FISCAL YEARS
 (Unaudited)

	Fiscal Year Ending June 30,							
	2013	2014	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability (asset)	0.0543%	0.0543%	0.0555%	0.0550%	0.0571%	0.0528%	5.0916%	0.0487%
District's proportionate share of the net pension liability (asset)	\$ 10,378,078	\$ 10,158,374	\$ 12,464,222	\$ 16,294,752	\$ 13,293,688	\$ 10,400,483	\$ 9,174,241	\$ 8,007,921
State's proportionate share of the net pension liability (asset) associated with the District	19,111,986,911	18,722,735,003	22,447,996,119	29,617,131,759	23,278,401,588	19,689,501,539	23,278,401,588	16,435,616,426
Total	<u>\$ 19,122,364,989</u>	<u>\$ 18,732,893,377</u>	<u>\$ 22,460,460,341</u>	<u>\$ 29,633,426,511</u>	<u>\$ 23,291,695,276</u>	<u>\$ 19,699,902,022</u>	<u>\$ 23,287,575,829</u>	<u>\$ 16,443,624,347</u>
District's covered-employee payroll	*	\$ 3,770,222	\$ 3,658,221	\$ 3,758,895	\$ 3,668,676	\$ 3,609,667	\$ 3,785,571	\$ 3,367,348
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	*	37.11%	29.35%	23.07%	27.60%	34.71%	41.26%	42.05%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	47.93%	40.14%	48.10%	53.60%	48.72%	42.05%

*Data was not provided by School District.

MOUNTAIN LAKES BOARD OF EDUCATION
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST NINE FISCAL YEARS
 (Unaudited)

	Fiscal Year Ending June 30,								
	2013	2014	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 419,787	\$ 362,708	\$ 447,286	\$ 477,365	\$ 491,396	\$ 538,505	\$ 536,505	\$ 497,012	\$ 537,196
Contributions in relation to the contractually required contribution	(419,787)	(362,708)	(447,286)	(477,365)	(491,396)	(538,505)	(536,505)	(497,012)	(537,196)
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$
District's covered-employee payroll	*	\$ 3,770,222	\$ 3,658,221	\$ 3,758,895	\$ 3,668,676	\$ 3,609,667	\$ 3,427,056	\$ 3,785,571	\$ 3,367,348
Contributions as a percentage of covered-employee payroll	*	9.62%	12.23%	12.70%	13.39%	14.92%	15.65%	13.13%	15.95%

*Data was not provided by School District.

MOUNTAIN LAKES BOARD OF EDUCATION
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
 TEACHERS' PENSION AND ANNUITY FUND
 LAST EIGHT FISCAL YEARS
 (Unaudited)

	Fiscal Year Ending June 30,							
	2013	2014	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability (asset)	0.1770%	0.1701%	0.1756%	0.1672%	0.1715%	0.1664%	16.7470%	0.1716%
District's proportionate share of the net pension liability (asset)	\$ 89,429,336	\$ 90,927,570	\$ 110,967,658	\$ 131,496,887	\$ 115,598,964	\$ 105,865,857	\$ 102,777,619	\$ 113,259,145
State's proportionate share of the net pension liability (asset) associated with the District	50,539,213,484	53,446,745,367	63,204,270,305	78,666,367,052	67,423,605,859	63,617,852,031	61,370,943,870	65,993,498,688
Total	\$ 50,628,642,820	\$ 53,537,672,937	\$ 63,315,237,963	\$ 78,797,863,939	\$ 67,539,204,823	\$ 63,723,717,888	\$ 61,473,721,489	\$ 66,106,757,833
District's covered-employee payroll	*	\$ 16,954,166	\$ 17,363,355	\$ 17,071,700	\$ 17,624,187	\$ 17,987,261	\$ 20,348,119	\$ 20,284,832
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	*	536.31%	639.09%	770.26%	655.91%	588.56%	505.10%	558.34%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%	25.41%	26.49%	33.76%	24.60%

*Data was not provided by School District.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

**MOUNTAIN LAKES SCHOOL DISTRICT
COUNTY OF MORRIS**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE YEAR ENDED JUNE 30, 2021**

Changes of Benefit Terms and Changes of Assumptions

Refer to Notes 7 on the Notes to Financial Statements for benefits and assumptions.

**M. SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Note: GASB 75 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

**MOUNTAIN LAKES BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT'S CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND
LAST FIVE FISCAL YEARS
(Unaudited)**

	Measurement Date				
	2016	2017	2018	2019	2020
	Fiscal Year Ending June 30,				
Total OPEB Liability					
Service Cost	*	\$ 3,283,160	\$ 2,726,285	\$ 2,339,847	\$ 2,501,064
Interest Cost	*	2,531,093	2,941,885	2,732,421	2,273,764
Difference Between Expected and Actual Experiences	*		(7,075,888)	(10,006,095)	17,633,493
Change in Assumptions	*	(10,104,352)	(7,940,990)	944,160	18,772,455
Contributions: Members**	*	68,516	63,952	57,621	54,229
Gross Benefit Payments**	*	(1,860,721)	(1,850,370)	(1,943,846)	(1,789,132)
Net Change in Total OPEB Liability	\$	\$ (6,082,304)	\$ (11,135,126)	\$ (5,875,892)	\$ 39,445,873
Total OPEB Liability (Beginning)	*	\$ 86,416,942	\$ 80,334,638	\$ 69,199,512	\$ 63,323,620
Total OPEB Liability (Ending)	\$	\$ 80,334,638	\$ 69,199,512	\$ 63,323,620	\$ 102,769,493
Plan Fiduciary Net Position:					
Net OPEB Liability (Ending)	\$	\$ 80,334,638	\$ 69,199,512	\$ 63,323,620	\$ 102,769,493
Net Position as a Percentage of OPEB Liability					
Covered Employee Payroll	*	\$ 17,987,261	\$ 18,269,453	\$ 20,348,119	\$ 20,284,832
Net OPEB Liability as a Percentage of Payroll		447%	379%	311%	507%
The District's Proportionate Share of the Total OPEB Liability	*	Zero	Zero	Zero	Zero

*Data was not provided by School District.

**Data for Measurement Periods Ending June 30 were provided by the State.

Notes to Schedule:

Benefit Changes: None

Changes in Assumptions: Assumptions used in calculating the OPEB liability are presented in Note 10.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

**MOUNTAIN LAKES SCHOOL DISTRICT
COUNTY OF MORRIS**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE YEAR ENDED JUNE 30, 2021**

Changes of Benefit Terms and Changes of Assumptions

Refer to Notes 8 and 9 on the Notes to Financial Statements for benefits and assumptions.

OTHER SUPPLEMENTARY INFORMATION

D. SCHOOL-BASED BUDGET SCHEDULES (IF APPLICABLE)

E. SPECIAL REVENUE FUND

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

	Total Brought Forward E-1A2	Title I	IDEA Basic	IDEA Preschool	Title II	Title IV	Non-Title I CARES	Totals 2021
REVENUE								
Federal Sources	\$ 86,428.03	\$ 23,003.00	\$ 245,787.00	\$ 7,118.00	\$ 10,827.00	\$ 10,000.00	\$ 35,281.00	\$ 418,445.03
State Sources	102,212.51							102,212.51
Local Sources	795,579.32							795,579.32
Total Revenue	<u>\$ 984,220.86</u>	<u>\$ 23,003.00</u>	<u>\$ 245,787.00</u>	<u>\$ 7,118.00</u>	<u>\$ 10,827.00</u>	<u>\$ 10,000.00</u>	<u>\$ 35,281.00</u>	<u>\$ 1,316,238.66</u>
EXPENDITURES								
Instruction:								
Salaries of Teachers	\$ 94,414.00	\$	\$	\$	\$	\$	\$	\$ 94,414.00
Purchased Professional-Educational Services	51,011.00							51,011.00
Tuition- Private/Out of State (Includes APPSD's)	212,943.89	23,003.00	245,787.00	7,118.00			35,281.00	297,905.00
General Supplies	358,368.89	23,003.00	245,787.00	7,118.00			35,281.00	277,267.89
Total Instruction	<u>46,976.71</u>	<u>23,003.00</u>	<u>245,787.00</u>	<u>7,118.00</u>	<u>10,827.00</u>	<u>10,000.00</u>	<u>35,281.00</u>	<u>669,557.89</u>
Other Purchased Professional and Technical Services	4,478.00							4,478.00
Supplies and Materials	46,373.00							46,373.00
Scholarships Awarded	32,378.64							32,378.64
Student Activities	438,247.15							438,247.15
Total Expenditures	<u>\$ 926,819.39</u>	<u>\$ 23,003.00</u>	<u>\$ 245,787.00</u>	<u>\$ 7,118.00</u>	<u>\$ 10,827.00</u>	<u>\$ 10,000.00</u>	<u>\$ 35,281.00</u>	<u>\$ 1,258,835.39</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>57,401.47</u>							<u>57,401.47</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	<u>\$ 57,401.47</u>							<u>\$ 57,401.47</u>
Fund Balance, July 1	439,402.46							439,402.46
Prior Period Adjustment	439,402.46							439,402.46
Fund Balance, July 1 (Restated)	<u>496,803.93</u>							<u>496,803.93</u>
Fund Balance, June 30	<u>\$ 496,803.93</u>							<u>\$ 496,803.93</u>

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

	<u>Total Brought Forward E-1A3</u>	<u>CRRSA ESSER II</u>	<u>IDEA Prior Year Non Public</u>	<u>Title II Prior Year</u>	<u>Totals Carried Forward 2021</u>
REVENUE					
Federal Sources	\$ 7,007.03				
State Sources	102,212.51	\$ 23,936.00	\$ 51,011.00	\$ 4,475.00	\$ 86,429.03
Local Sources	795,579.32				102,212.51
Total Revenue	<u>\$ 904,798.86</u>	<u>\$ 23,936.00</u>	<u>\$ 51,011.00</u>	<u>\$ 4,475.00</u>	<u>\$ 984,220.86</u>
EXPENDITURES					
Instruction:					
Salaries of Teachers	\$ 94,414.00				
Purchased Professional-Educational Services			\$ 51,011.00		\$ 94,414.00
General Supplies	212,943.89				51,011.00
Total Instruction	<u>307,357.89</u>		<u>51,011.00</u>		<u>358,368.89</u>
Purchased Professional and Technical Services	46,976.71				46,976.71
Other Purchased Professional Services	22,437.00			4,475.00	4,475.00
Supplies and Materials	32,378.64	23,936.00			46,373.00
Scholarships Awarded	438,247.15				32,378.64
Student Activities					438,247.15
Total Expenditures	<u>\$ 847,397.39</u>	<u>\$ 23,936.00</u>	<u>\$ 51,011.00</u>	<u>\$ 4,475.00</u>	<u>\$ 926,819.39</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>57,401.47</u>				<u>57,401.47</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	<u>\$ 57,401.47</u>				<u>\$ 57,401.47</u>
Fund Balance, July 1					
Prior Period Adjustment	439,402.46				439,402.46
Fund Balance, July 1 (Restated)	439,402.46				439,402.46
Fund Balance, June 30	<u>\$ 496,803.93</u>				<u>\$ 496,803.93</u>

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

	Total Brought Forward E-1B1	Non-Title I CARES	Totals Carried Forward 2021
REVENUE			
Federal Sources	\$	\$ 7,007.03	\$ 7,007.03
State Sources	102,212.51		102,212.51
Local Sources	795,579.32		795,579.32
Total Revenue	\$ 897,791.83	\$ 7,007.03	\$ 904,798.86
EXPENDITURES			
Instruction:			
Salaries of Teachers	\$ 94,414.00	\$	\$ 94,414.00
General Supplies	205,936.86	7,007.03	212,943.89
Total Instruction	300,350.86	7,007.03	307,357.89
Purchased Professional and Technical Services	46,976.71		46,976.71
Supplies and Materials	22,437.00		22,437.00
Scholarships Awarded	32,378.64		32,378.64
Student Activities	438,247.15		438,247.15
Total Expenditures	\$ 840,390.36	\$ 7,007.03	\$ 847,397.39
Excess (Deficiency) of Revenues Over/(Under) Expenditures	57,401.47		57,401.47
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	\$ 57,401.47		\$ 57,401.47
Fund Balance, July 1			
Prior Period Adjustment	439,402.46		439,402.46

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

Fund Balance, July 1 (Restated)

Fund Balance, June 30

	Total Brought Forward E-1B1	439,402.46	
	\$	<u>496,803.93</u>	
		<u>439,402.46</u>	Totals Carried Forward 2021
		<u>\$</u>	<u>496,803.93</u>
		<u>Non-Title I CARES</u>	
		<u>\$</u>	

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

	Total Brought Forward E-1B2	NP Security	NP Textbooks	NP Nursing	NP Speech	NP Ch 192/193 Review	Totals Carried Forward 2021
REVENUE							
Slate Sources	\$ 38,251.18	\$ 14,175.00	\$ 4,944.80	\$ 8,262.00	\$ 22,055.88	\$ 14,523.65	\$ 102,212.51
Local Sources	795,579.32						795,579.32
Total Revenue	\$ 833,830.50	\$ 14,175.00	\$ 4,944.80	\$ 8,262.00	\$ 22,055.88	\$ 14,523.65	\$ 897,791.83
EXPENDITURES							
Instruction:							
Salaries of Teachers	\$ 94,414.00	\$	\$ 4,944.80	\$	\$	\$	\$ 94,414.00
General Supplies	200,992.06		4,944.80				205,936.86
Total Instruction	295,406.06		4,944.80				300,350.86
Purchased Professional and Technical Services	10,397.18				22,055.88	14,523.65	46,976.71
Supplies and Materials	32,378.64	14,175.00		8,262.00			22,437.00
Scholarships Awarded	438,247.15						32,378.64
Student Activities							438,247.15
Total Expenditures	\$ 776,429.03	\$ 14,175.00	\$ 4,944.80	\$ 8,262.00	\$ 22,055.88	\$ 14,523.65	\$ 840,390.36
Excess (Deficiency) of Revenues Over/(Under) Expenditures	57,401.47						57,401.47
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	\$ 57,401.47						\$ 57,401.47
Fund Balance, July 1	439,402.46						439,402.46
Prior Period Adjustment							
Fund Balance, July 1 (Restated)	439,402.46						439,402.46
Fund Balance, June 30	\$ 496,803.93						\$ 496,803.93

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

	<u>Total Brought Forward E-1C1</u>	<u>NP Ch 192/193 Evals</u>	<u>Coronavirus Relief Fund</u>	<u>Totals Carried Forward 2021</u>
<u>REVENUE</u>				
State Sources	\$ 795,579.32	\$ 10,397.18	\$ 27,854.00	\$ 833,830.50
Local Sources	<u>795,579.32</u>	<u>10,397.18</u>	<u>27,854.00</u>	<u>833,830.50</u>
Total Revenue	<u>\$ 795,579.32</u>	<u>\$ 10,397.18</u>	<u>\$ 27,854.00</u>	<u>\$ 833,830.50</u>
<u>EXPENDITURES</u>				
Instruction:				
Salaries of Teachers	\$ 94,414.00	\$	\$ 27,854.00	\$ 94,414.00
General Supplies	173,138.06		<u>27,854.00</u>	200,992.06
Total Instruction	<u>267,552.06</u>			<u>295,406.06</u>
Purchased Professional and Technical Services		10,397.18		10,397.18
Scholarships Awarded	32,378.64			32,378.64
Student Activities	438,247.15			438,247.15
Total Expenditures	<u>\$ 738,177.85</u>	<u>\$ 10,397.18</u>	<u>\$ 27,854.00</u>	<u>\$ 776,429.03</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>57,401.47</u>			<u>57,401.47</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	<u>\$ 57,401.47</u>			<u>\$ 57,401.47</u>
Fund Balance, July 1				
Prior Period Adjustment	439,402.46			439,402.46
Fund Balance, July 1 (Restated)	439,402.46			439,402.46
Fund Balance, June 30	<u>\$ 496,803.93</u>	<u>\$</u>	<u>\$</u>	<u>\$ 496,803.93</u>

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

	<u>Total Brought Forward E-1C3</u>	<u>H&SA</u>	<u>Lone Entrepreneurial</u>	<u>MLEF VDI</u>	<u>Totals Carried Forward 2021</u>
REVENUE					
Local Sources	\$ 536,143.84	\$ 28,422.48	\$ 101,013.00	\$ 130,000.00	\$ 795,579.32
Total Revenue	<u>\$ 536,143.84</u>	<u>\$ 28,422.48</u>	<u>\$ 101,013.00</u>	<u>\$ 130,000.00</u>	<u>\$ 795,579.32</u>
EXPENDITURES					
Instruction:					
Salaries of Teachers	\$ 8,116.58	\$ 28,422.48	\$ 94,414.00	\$	\$ 94,414.00
General Supplies	8,116.58	28,422.48	6,599.00	130,000.00	173,138.06
Total Instruction	<u>32,378.64</u>	<u>438,247.15</u>	<u>101,013.00</u>	<u>130,000.00</u>	<u>267,552.06</u>
Scholarships Awarded	438,247.15				32,378.64
Student Activities					438,247.15
Total Expenditures	<u>\$ 478,742.37</u>	<u>\$ 28,422.48</u>	<u>\$ 101,013.00</u>	<u>\$ 130,000.00</u>	<u>\$ 738,177.85</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>57,401.47</u>				<u>57,401.47</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>\$ 57,401.47</u>				<u>\$ 57,401.47</u>
Fund Balance, July 1					
Prior Period Adjustment	439,402.46				439,402.46
Fund Balance, July 1 (Restated)	439,402.46				439,402.46
Fund Balance, June 30	<u>\$ 496,803.93</u>				<u>\$ 496,803.93</u>

* Represents scholarship fund net position as of June 30, 2020 per exhibit H-2

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

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

	<u>Total Brought Forward E-1C4</u>	<u>BC Grants</u>	<u>Totals Carried Forward 2021</u>
<u>REVENUE</u>			
Local Sources	\$ 528,027.26	\$ 8,116.58	\$ 536,143.84
Total Revenue	<u>\$ 528,027.26</u>	<u>\$ 8,116.58</u>	<u>\$ 536,143.84</u>
<u>EXPENDITURES</u>			
Instruction:			
General Supplies		8,116.58	8,116.58
Total Instruction		<u>8,116.58</u>	<u>8,116.58</u>
Scholarships Awarded	32,378.64		32,378.64
Student Activities	438,247.15		438,247.15
Total Expenditures	<u>\$ 470,625.79</u>	<u>\$ 8,116.58</u>	<u>\$ 478,742.37</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>57,401.47</u>		<u>57,401.47</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	<u>\$ 57,401.47</u>		<u>\$ 57,401.47</u>
Fund Balance, July 1			439,402.46
Prior Period Adjustment			439,402.46
Fund Balance, July 1 (Restated)			439,402.46
Fund Balance, June 30	<u>\$ 496,803.93</u>		<u>\$ 496,803.93</u>

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

	Totals Carried Forward 2021
--	--------------------------------------

	BC Grants
--	-----------

	Total Brought Forward E-1C4
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* Represents scholarship fund net position as of June 30, 2020 per exhibit H-2
 ** Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

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

	Student Activity Fund	Scholarship Fund	Totals Carried Forward 2021
REVENUE			
Local Sources	\$ 483,108.78	\$ 44,918.48	\$ 528,027.26
Total Revenue	\$ 483,108.78	\$ 44,918.48	\$ 528,027.26
EXPENDITURES			
Instruction:			
Total Instruction	438,247.15		
Scholarships Awarded		32,378.64	32,378.64
Student Activities			438,247.15
Total Expenditures	\$ 438,247.15	\$ 32,378.64	\$ 470,625.79
Excess (Deficiency) of Revenues Over/(Under) Expenditures	44,861.63	12,539.84	57,401.47
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	\$ 44,861.63	\$ 12,539.84	\$ 57,401.47
Fund Balance, July 1	313,437.94	125,964.52	439,402.46
Prior Period Adjustment			
Fund Balance, July 1 (Restated)	313,437.94	125,964.52	439,402.46
Fund Balance, June 30	\$ 358,299.57	\$ 138,504.36	\$ 496,803.93

* Represents scholarship fund net position as of June 30, 2020 per exhibit H-2

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

Totals
Carried
Forward
2021

Student Activity
Fund

Scholarship Fund

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

F. CAPITAL PROJECTS FUND

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

Project Title/Issue	Approval Date	Original Budgetary Appropriation	Adjustments	Modified Budgetary Authorization	GAAP Expenditures to Date		Balance June 30, 2021
					Prior Years	Current Year	
Various Improvements to schools	9/26/2017	\$ 17,216,215.00	\$	\$ 17,216,215.00	\$ 13,283,147.66	\$ 2,177,486.89	\$ 1,755,580.45
		<u>\$ 17,216,215.00</u>		<u>\$ 17,216,215.00</u>	<u>\$ 13,283,147.66</u>	<u>\$ 2,177,486.89</u>	<u>\$ 1,755,580.45</u>

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

Revenues and Other Financing Sources:

Total Revenues

Expenditures and Other Financing Uses:

Facilities Acquisition and Construction Services	\$ 2,177,486.89
Total Expenditures and Other Financing Uses	2,177,486.89

Excess (Deficiency) of Revenues Over/(Under) Expenditures	(2,177,486.89)
---	----------------

Fund Balance, June 30 2020	3,932,852.34
----------------------------	--------------

Fund Balance, June 30 2021	\$ 1,755,365.45
----------------------------	-----------------

Reconciliation to Governmental Funds Statements (GAAP Basis)

Fund Balance (Budgetary Basis)	\$ 1,755,365.45
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Less: Encumbrances	(1,733,924.39)
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Fund Balance Per Governmental Funds (GAAP Basis)	\$ 3,489,289.84
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MOUNTAIN LAKES BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
 AND PROJECT STATUS - BUDGETARY BASIS
 VARIOUS IMPROVEMENTS TO SCHOOLS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds	\$ 17,216,000.00		\$ 17,216,000.00	\$ 17,216,215.00
Total Revenues	<u>17,216,000.00</u>		<u>17,216,000.00</u>	<u>17,216,215.00</u>
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	11,336,873.39	2,177,486.89	13,514,360.28	15,726,215.00
Purchased Professional and Technical Services	1,946,274.27		1,946,274.27	1,490,000.00
Total Expenditures	<u>13,283,147.66</u>	<u>2,177,486.89</u>	<u>15,460,634.55</u>	<u>17,216,215.00</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 3,932,852.34</u>	<u>\$ (2,177,486.89)</u>	<u>\$ 1,755,365.45</u>	
Additional Project Information:				
Bond Authorization Date	9/26/2017			
Bonds Authorized	\$ 17,216,215.00			
Bonds Issued	\$ 17,216,000.00			
Original Authorized Cost	\$ 17,216,215.00			
Revised Authorized Cost	\$ 17,216,215.00			
Percentage Completion	89.80%			
Original Target Completion Date	9/1/2019			
Revised Target Completion Date	6/30/2023			

G. PROPRIETARY FUNDS

ENTERPRISE FUND

**MOUNTAIN LAKES BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021**

	Business-Type Activities Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 68,867.07	\$ 68,867.07
Inventories:		
Food	6,832.99	6,832.99
Total Current Assets	<u>75,700.06</u>	<u>75,700.06</u>
Noncurrent Assets:		
Furniture, Machinery & Equipment	28,469.30	28,469.30
Less Accumulated Depreciation	(27,968.69)	(27,968.69)
Total Noncurrent Assets	<u>500.61</u>	<u>500.61</u>
Total Assets	<u>\$ 76,200.67</u>	<u>\$ 76,200.67</u>
 <u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 15,656.53	\$ 15,656.53
Deferred Revenues	25,741.13	25,741.13
Total Current Liabilities	<u>41,397.66</u>	<u>41,397.66</u>
Total Liabilities	<u>41,397.66</u>	<u>41,397.66</u>
 <u>NET POSITION</u>		
Invested in Capital Assets, Net of Related Debt	500.61	500.61
Unrestricted (Deficit)	<u>34,302.40</u>	<u>34,302.40</u>
Total Net Position	<u>\$ 34,803.01</u>	<u>\$ 34,803.01</u>

MOUNTAIN LAKES BOARD OF EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
Operating Revenues:		
Charges for Services:		
Daily Sales - Non-Reimbursable Programs	\$ 34,009.00	\$ 34,009.00
Total Operating Revenues	<u>34,009.00</u>	<u>34,009.00</u>
Operating Expenses:		
Cost of Sales - Non-Reimbursable Programs	14,868.63	14,868.63
Salaries	34,618.46	34,618.46
Personnel Services - Employee Benefits	8,051.13	8,051.13
FICA	4,858.29	4,858.29
Purchased Services (Including Fixed Price Contract)	13,572.00	13,572.00
Other Purchased Professional and Technical Services	1,624.38	1,624.38
Insurance	12,704.02	12,704.02
General Supplies and Materials	4,422.47	4,422.47
Depreciation Expense	1,578.85	1,578.85
Total Operating Expenses	<u>96,298.23</u>	<u>96,298.23</u>
Operating Income/(Loss)	<u>(62,289.23)</u>	<u>(62,289.23)</u>
Nonoperating Revenues (Expenses):		
Interest and Investment Revenue	45.41	45.41
Total Nonoperating Revenues (Expenses)	<u>45.41</u>	<u>45.41</u>
Income (Loss) before Contributions and Transfers	(62,243.82)	(62,243.82)
Change in Net Position	<u>(62,243.82)</u>	<u>(62,243.82)</u>
Total Net Position - Beginning	97,046.83	97,046.83
Total Net Position - Ending	<u>\$ 34,803.01</u>	<u>\$ 34,803.01</u>

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

	Business-Type Activities Enterprise Funds	
	Food Service	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from Customers and Other Funds	\$ 34,009.00	\$ 34,009.00
Payments to Employees	(34,618.46)	(34,618.46)
Payments to Employees' Benefits	(12,909.42)	(12,909.42)
Payments to Suppliers	<u>(32,770.16)</u>	<u>(32,770.16)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(46,289.04)</u>	<u>(46,289.04)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Other Sources	<u>80,131.63</u>	<u>80,131.63</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>80,131.63</u>	<u>80,131.63</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest and Dividends	<u>45.41</u>	<u>45.41</u>
Net Cash Provided by (Used for) Investing Activities	<u>45.41</u>	<u>45.41</u>
Net Increase (Decrease) in Cash and Cash Equivalents	33,888.00	33,888.00
Balances - Beginning of Year	<u>34,979.07</u>	<u>34,979.07</u>
Balances - End of Year	<u>\$ 68,867.07</u>	<u>\$ 68,867.07</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>		
Operating Income/(Loss)	\$ (62,289.23)	\$ (62,289.23)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Net Amortization	1,578.85	1,578.85
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable, net	15,656.53	15,656.53
(Increase)/Decrease in Inventory	<u>(1,235.19)</u>	<u>(1,235.19)</u>
Total Adjustments	<u>16,000.19</u>	<u>16,000.19</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (46,289.04)</u>	<u>\$ (46,289.04)</u>

INTERNAL SERVICE FUND

H. FIDUCIARY FUNDS (IF APPLICABLE)

**MOUNTAIN LAKES BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
TRUST [FIDUCIARY] FUNDS
JUNE 30, 2021**

	<u>Private Purpose Scholarship Trust Fund</u>	<u>Total Trust</u>
<u>ADDITIONS</u>		
Total Additions		
<u>DEDUCTIONS</u>		
Total Deductions		
Change in Net Position		
Total Net Position - Beginning	<u>125,964.52</u>	<u>125,964.52</u>
Total Net Position - Ending	<u>\$ 125,964.52</u>	<u>\$ 125,964.52</u>

I. LONG-TERM DEBT

MOUNTAIN LAKES BOARD OF EDUCATION
 LONG-TERM DEBT
 SCHEDULE OF BONDS PAYABLE
 YEAR ENDED JUNE 30, 2021

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Issued	Retired	Balance July 01, 2020	Balance June 30, 2021
			Date	Amount					
Refunding Bonds	3/12/2012	7,600,000.00	9/15/2021	510,000.00	2.13%		\$ 520,000.00	\$ 4,575,000.00	\$ 4,055,000.00
			9/15/2022	505,000.00	4.00%				
			9/15/2023	500,000.00	2.25%				
			9/15/2024	510,000.00	2.35%				
			9/15/2025	500,000.00	2.50%				
			9/15/2026	515,000.00	3.00%				
			9/15/2027	505,000.00	3.00%				
			9/15/2028	510,000.00	2.75%				
Refunding Bonds	10/21/2015	2,975,000.00	1/15/2022	455,000.00	5.00%		435,000.00	1,370,000.00	935,000.00
			1/15/2023	480,000.00	5.00%				
School District Bonds	8/1/2019	17,216,000.00	8/1/2021	401,000.00	1.50%			17,216,000.00	17,216,000.00
			8/1/2022	400,000.00	1.75%				
			8/1/2023	800,000.00	2.00%				
			8/1/2024	750,000.00	2.00%				
			8/1/2025	700,000.00	2.00%				
			8/1/2026	650,000.00	2.00%				
			8/1/2027	625,000.00	2.00%				
			8/1/2028	600,000.00	2.00%				
			8/1/2029	700,000.00	2.00%				
			8/1/2030	725,000.00	2.13%				
			8/1/2031	740,000.00	2.25%				
			8/1/2032	750,000.00	2.38%				
			8/1/2033	760,000.00	2.50%				
			8/1/2034	775,000.00	2.75%				
			8/1/2035	790,000.00	3.00%				
		8/1/36-8/1/38	800,000.00	3.00%					
		8/1/39-8/1/44	775,000.00	3.00%					
							\$ 955,000.00	\$ 23,161,000.00	\$ 22,206,000.00

MOUNTAIN LAKES BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
YEAR ENDED JUNE 30, 2021

Purpose	Date of Lease	Term of Lease	Amount of Original Lease Principal	Interest Rate	Balance June 30, 2020	Issued	Retired	Balance June 30, 2021
Chromebooks			\$ 80,593.61		\$ 26,827.36		\$ 26,827.36	\$
Energy Conservation Measures			2,107,530.79		1,709,270.20		137,201.82	1,572,068.38
					<u>\$ 1,736,097.56</u>		<u>\$ 164,029.18</u>	<u>\$ 1,572,068.38</u>

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES:</u>					
Local Sources:					
Local Tax Levy	\$ 1,617,940.88	\$	\$ 1,617,940.88	\$ 1,617,941.00	\$ 0.12
State Sources:					
Debt Service Aid Type II	173,541.00		173,541.00	173,541.00	
Total State Sources	<u>173,541.00</u>		<u>173,541.00</u>	<u>173,541.00</u>	
Total Revenues	<u>1,791,481.88</u>		<u>1,791,481.88</u>	<u>1,791,482.00</u>	<u>0.12</u>
<u>EXPENDITURES:</u>					
Regular Debt Service:					
Interest	836,481.88		836,481.88	836,481.88	
Redemption of Principal	955,000.00		955,000.00	955,000.00	
Total Expenditures	<u>1,791,481.88</u>		<u>1,791,481.88</u>	<u>1,791,481.88</u>	
Excess (Deficiency) of Revenues Over/(Under) Expenditures			91.83	0.12	0.12
Fund Balance, July 1	<u>91.83</u>		<u>91.83</u>	<u>91.83</u>	
Fund Balance, June 30	<u>\$ 91.83</u>		<u>\$ 91.83</u>	<u>\$ 91.95</u>	<u>\$ 0.12</u>

STATISTICAL SECTION (UNAUDITED)

INTRODUCTION TO THE STATISTICAL SECTION

FINANCIAL TRENDS

MOUNTAIN LAKES BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
Unaudited

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 11,400,191	\$ 11,853,402	\$ 12,013,257	\$ 12,676,217	\$ 13,141,991	\$ 13,324,475	\$ 14,445,347	\$ 15,180,790	\$ 6,087,163	\$ 12,123,106
Restricted	3,984,212	2,770,123	2,293,586	1,682,162	1,065,893	1,301,170	708,181	93,062	10,488,485	6,534,500
Unrestricted	237,673	287,530	307,786	(9,470,439)	(9,931,963)	(10,523,023)	(11,173,458)	(10,519,371)	(12,479,671)	(10,894,227)
Total Governmental Activities Net Position	\$ 15,622,076	\$ 14,911,055	\$ 14,614,629	\$ 4,887,940	\$ 4,275,921	\$ 4,102,622	\$ 3,980,070	\$ 4,754,481	\$ 4,085,977	\$ 7,763,379
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 14,274	\$ 12,088	\$ 12,451	\$ 10,573	\$ 8,694	\$ 6,816	\$ 5,237	\$ 3,658	\$ 2,079	\$ 501
Unrestricted	94,974	90,009	42,299	39,450	14,388	63,615	70,051	105,890	94,967	34,302
Total Business-Type Activities Net Position	\$ 109,248	\$ 102,097	\$ 54,750	\$ 50,023	\$ 23,082	\$ 70,431	\$ 75,288	\$ 109,548	\$ 97,046	\$ 34,803
District-Wide:										
Invested in Capital Assets, Net of Related Debt	\$ 11,414,465	\$ 11,865,490	\$ 12,025,708	\$ 12,686,790	\$ 13,150,685	\$ 13,331,291	\$ 14,450,584	\$ 15,184,448	\$ 6,089,242	\$ 12,123,607
Restricted	3,984,212	2,770,123	2,293,586	1,662,162	1,065,893	1,301,170	708,181	93,062	10,488,485	6,534,500
Unrestricted	332,647	377,539	350,085	(9,430,889)	(9,917,575)	(10,459,408)	(11,103,407)	(10,413,481)	(12,384,704)	(10,859,925)
Total District-Wide Net Position	\$ 15,731,324	\$ 15,013,152	\$ 14,669,379	\$ 4,937,963	\$ 4,299,003	\$ 4,173,053	\$ 4,055,358	\$ 4,864,029	\$ 4,193,023	\$ 7,798,182

Source: CAFR Exhibit A-1

MOUNTAIN LAKES BOARD OF EDUCATION
CHANGES IN NET ASSETS / NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 12,105,465	\$ 12,883,774	\$ 12,866,416	\$ 13,420,468	\$ 13,878,850	\$ 14,322,609	\$ 18,673,350	\$ 17,643,183	\$ 18,033,834	\$ 18,567,873
Special Education	8,633,501	8,892,352	8,256,534	7,843,678	7,912,680	8,091,790	10,659,810	8,928,285	9,438,025	11,381,233
Other Special Instruction	1,276,791	1,364,019	1,432,578	1,353,115	1,405,526	1,586,622	1,997,514	1,766,752	94,484	637,482
Vocational									1,549,650	1,016,625
Other Instruction										
Support Services:										
Tuition	927,878	849,313	828,648	759,226	983,300	984,259	902,499	705,469	817,961	1,144,741
Student and Instruction Related Services	5,674,756	6,242,404	6,043,712	5,928,242	6,137,788	6,235,017	8,357,945	7,040,085	6,465,956	7,997,375
General Administrative Services	948,756	986,841	1,003,556	979,134	953,387	1,017,842	1,076,185	1,076,185	885,077	893,702
School Administrative Services	2,076,541	2,259,968	2,172,219	2,174,495	2,155,164	2,124,464	2,899,647	2,508,055	2,427,032	1,849,748
Central Services									458,463	825,947
Administration of Information Technology									210	
Plant Operations and Maintenance	3,680,915	3,716,357	3,853,025	3,699,776	3,737,666	3,941,452	4,640,435	4,479,223	3,707,318	3,465,635
Care and Upkeep of Grounds	511,347	491,103	488,677	440,794	572,346	357,988	460,156	639,028	89,172	83,285
Pupil Transportation	819,710	935,730	813,038	819,816	805,415	900,849	1,278,137	1,163,897	588,556	520,585
Special Schools									627,507	228,676
Charter School									28,327	12,368
Capital Outlay - Non-depreciable	35,192	48,298	48,298	48,298	48,298	48,298	48,298	130,593	339,799	818,117
Assessment for Debt Service on SDA Funding	515,467	409,675	380,351	353,153	304,204	272,103	250,107	281,423	1,083,031	512,452
Interest on Long-Term Debt										
Unallocated Depreciation										
Total Governmental Activities	\$ 37,206,320	\$ 39,079,833	\$ 38,187,052	\$ 37,820,196	\$ 38,894,634	\$ 39,883,294	\$ 51,452,782	\$ 46,362,129	\$ 46,624,412	\$ 49,955,644
Business-Type Activities:										
Food Service	624,196	646,278	676,888	696,682	714,485	715,901	708,266	770,806	451,435	96,298
Total Business-Type Activities	624,196	646,278	676,888	696,682	714,485	715,901	708,266	770,806	451,435	96,298
Total District Expenses	\$ 37,830,516	\$ 39,726,112	\$ 38,863,940	\$ 38,516,878	\$ 39,609,119	\$ 40,599,194	\$ 52,161,048	\$ 47,132,935	\$ 47,075,847	\$ 50,051,942
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition):										
Special Education	660,902	699,016	660,411	701,886	662,978	683,389	945,661	188,136		483,109
Support Service:										
Student and Instruction Related Services										
Interest on Long-Term Debt	408,361	302,328	271,895	244,780	163,851	225,890	151,186			
Operating Grants and Contributions	4,607,598	5,415,844	4,926,177	4,515,431	4,604,244	4,814,404	15,907,764	10,073,226	9,118,665	13,666,339
Total Governmental Activities Program Revenues	5,676,862	6,416,987	5,858,482	5,462,097	5,431,072	5,733,684	17,004,612	10,261,362	9,118,665	14,169,448

MOUNTAIN LAKES BOARD OF EDUCATION
CHANGES IN NET ASSETS / NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ending June 30.									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-Type Activities:										
Charges for Services:										
Food Service	584,493	595,983	611,325	657,036	633,263	720,917	667,976	752,454	414,365	34,009
Operating Grants and Contributions	21,620	23,664	18,217	7,384	4,259	5,910	5,571			
Total Business-Type Activities Program Revenues	606,113	619,647	629,542	664,419	637,522	726,827	673,547	752,454	414,365	34,009
TOTAL DISTRICT PROGRAM REVENUES	\$ 6,282,975	\$ 7,036,634	\$ 6,488,024	\$ 6,126,516	\$ 6,068,594	\$ 6,460,511	\$ 17,678,159	\$ 11,013,815	\$ 9,533,030	\$ 14,203,457
Net (Expense)/Revenue:										
Governmental Activities	\$ (31,529,458)	\$ (32,662,846)	\$ (32,328,570)	\$ (32,358,100)	\$ (33,463,562)	\$ (34,149,610)	\$ (34,448,170)	\$ (36,100,767)	\$ (37,505,747)	\$ (35,786,196)
Business-Type Activities	(18,083)	(26,632)	(47,346)	(32,262)	(76,963)	10,927	(34,718)	(18,352)	(37,070)	(62,289)
Total District-Wide Net Expense	\$ (31,547,541)	\$ (32,689,477)	\$ (32,375,916)	\$ (32,390,362)	\$ (33,540,525)	\$ (34,138,684)	\$ (34,482,889)	\$ (36,119,119)	\$ (37,542,817)	\$ (35,848,485)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 18,254,489	\$ 18,254,489	\$ 18,559,578	\$ 18,928,914	\$ 19,307,492	\$ 19,810,179	\$ 20,320,489	\$ 20,872,466	\$ 22,420,836	\$ 22,114,825
Property Taxes, Levied for Debt Service Principal	727,776	848,185	801,679	772,161	906,596	886,522	872,442	1,048,384	1,617,941	1,617,941
Grants and Contributions	45,493	15,832	18,365	46,206	41,639	54,125	93,615	1,036,973	1,163,365	1,163,365
Payments in Lieu of Taxes - State Aid Restricted									99,321	173,541
Tuition Received	13,443,912	12,753,512	12,457,874	12,351,081	12,217,727	13,071,877	12,748,296	13,351,783	13,048,955	13,854,015
Investment Earnings	786		643	15,648		5,594	34,789			
Miscellaneous Income	192,917	197,132	194,005	434,166	223,111	184,549	144,470	501,320	264,623	50,305
Proceeds of Long-Term Debt (Refunding Bonds)	(180,000)	(97,846)			205,000					
Capital Lease Principal Cancelled										
NJ Schools Development Authority Grants				126,140			150,374			
Cancellation of Prior Year Accounts Receivable										
Adjustment to Capital Assets										
Transfers	(32,857)	(19,481)		(27,535)	(50,023)	(36,303)	(38,837)	29,662	(23,463)	(307,054)
Total Governmental Activities	32,452,516	31,951,823	32,032,144	32,646,781	32,851,542	33,976,544	34,325,619	36,876,179	36,847,245	38,642,679
Business-Type Activities:										
Investment Earnings						119	739	1,681	1,105	45
Adjustment to Capital Assets										
Transfers	32,857	19,481		27,535	50,023	36,303	38,837	50,931	23,463	45
Total Business-Type Activities	32,857	19,481		27,535	50,023	36,303	38,837	50,931	23,463	45
Total District-Wide	\$ 32,485,374	\$ 31,971,304	\$ 32,032,144	\$ 32,674,316	\$ 32,901,565	\$ 34,012,965	\$ 34,365,194	\$ 36,927,791	\$ 36,871,813	\$ 38,642,724
Change in Net Position:										
Governmental Activities	923,058	(711,022)	(286,425)	288,681	(612,020)	(173,067)	(122,552)	774,412	(658,502)	2,856,483
Business-Type Activities	14,775	(7,151)	(47,346)	(4,728)	(26,941)	47,348	4,857	34,260	(12,502)	(62,244)
Total District	\$ 937,833	\$ (718,173)	\$ (343,772)	\$ 283,954	\$ (638,960)	\$ (125,718)	\$ (117,694)	\$ 808,672	\$ (671,004)	\$ 2,794,239

Source: CAFR Schedule A-1

MOUNTAIN LAKES BOARD OF EDUCATION
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 Unaudited

	Fiscal Year Ending June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Reserved	\$ 3,832,732	\$ 2,928,564	\$ 2,613,733	\$ 2,228,812	\$ 1,546,687	\$ 2,079,731	\$ 2,063,994	\$ 2,473,747	\$ 2,250,255	\$ 2,548,314
Unreserved	748,512	686,085	639,847	666,105	593,036	788,315	758,578	774,020	805,709	1,367,500
Total General Fund	\$ 4,581,244	\$ 3,614,659	\$ 3,253,580	\$ 2,894,917	\$ 2,139,723	\$ 2,868,046	\$ 2,822,572	\$ 3,247,767	\$ 3,055,964	\$ 3,915,814
All Other Governmental Funds:										
Reserved	\$ 307,771	\$ 65,194	\$ 65,194	\$ 1,478	\$ 16,754	\$ 15,276	\$ (816,622)	\$ (1,667,440)	\$ 8,238,230	\$ 3,986,186
Unreserved, Reported In:										
Debt Service Fund	1									
Permanent Fund	(746)	(946)	(945)	(1,145)	(1,245)					
Total All Other Governmental Funds	\$ 307,026	\$ 64,248	\$ 64,249	\$ 333	\$ 15,509	\$ 15,276	\$ (816,622)	\$ (1,667,440)	\$ 8,238,230	\$ 3,986,186

Source: CAFR Schedule B-1

MOUNTAIN LAKES BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Tax Levy	\$ 19,390,626	\$ 19,405,002	\$ 19,633,152	\$ 19,945,855	\$ 20,377,939	\$ 20,922,591	\$ 21,344,117	\$ 21,920,850	\$ 22,420,836	\$ 23,732,766
Tuition Charges	14,104,814	13,452,528	13,119,285	13,052,967	12,880,705	13,765,267	13,693,958	13,351,763	13,048,955	13,854,015
Interest Earnings	786	643	643	15,648	5,594	5,594	34,769			
Restricted Miscellaneous Revenues	456,334	433,680	500,819	718,195	523,399	531,932	460,782	501,320	264,623	871
State Sources	4,074,484	4,890,748	4,325,680	3,943,194	4,040,885	4,229,337	6,763,323	7,648,380	8,031,462	49,434
Federal Sources	313,191	304,180	312,039	329,414	304,708	291,810	310,968	310,522	342,992	409,725
Private Sources								392,724	483,968	794,290
Total Revenues	<u>38,342,235</u>	<u>38,486,138</u>	<u>37,890,628</u>	<u>38,010,273</u>	<u>38,127,636</u>	<u>39,746,531</u>	<u>42,607,917</u>	<u>44,125,579</u>	<u>44,592,836</u>	<u>48,163,463</u>
Expenditures:										
Instruction:										
Regular Instruction	8,643,396	9,017,176	9,109,416	9,719,636	9,912,453	9,973,199	10,381,534	10,977,489	11,672,070	11,094,223
Special Education Instruction	6,234,395	6,262,912	5,894,284	5,706,632	5,678,702	5,675,156	5,743,785	5,424,366	5,831,147	6,471,827
Other Special Instruction										
Other Instruction	955,972	997,006	1,071,020	1,012,606	1,046,082	1,155,399	1,157,146	1,167,749	1,066,147	1,016,625
Support Services:										
Tuition	927,878	849,313	828,648	759,226	983,300	984,289	902,499	705,469	817,961	1,144,741
Student and Instruction Related Services	4,276,579	4,593,966	4,437,979	4,465,769	4,589,703	4,551,604	4,787,118	4,594,232	4,173,283	4,965,010
General Administration	748,882	760,491	764,829	786,411	737,830	786,287	816,677	882,677	702,776	591,470
School Administrative Services	1,507,725	1,604,085	1,557,992	1,587,942	1,557,096	1,504,745	1,565,857	1,552,037	1,868,024	1,365,470
Central Services										
Administration of Information Technology	3,032,673	3,007,062	3,151,721	3,061,331	3,074,671	3,197,175	3,430,281	3,414,579	3,225,230	2,853,503
Plant Operations and Maintenance										
Care and Upkeep of Grounds	466,502	463,380	462,327	418,250	550,573	462,555	426,967	605,830	89,172	83,285
Pupil Transportation	8,188,911	9,402,632	8,740,558	8,267,332	8,385,282	8,550,030	11,177,058	11,894,296	12,264,766	520,586
Employee Benefits	661,905	708,815	630,664	636,986	647,066	693,389	838,319	857,265	627,507	13,991,960
Special Schools										
Charter Schools										
Capital Outlay	872,839	717,591	421,838	1,190,849	3,047,530	289,480	1,081,387	1,316,748	28,327	228,676
Debt service:										
Principal	685,000	775,000	790,000	825,000	850,000	880,000	880,000	915,000	915,000	955,000
Interest and other charges	558,243	419,145	392,030	364,030	327,365	278,625	257,825	233,125	210,788	836,462
Total Expenditures	<u>37,781,100</u>	<u>39,578,174</u>	<u>38,251,706</u>	<u>38,781,000</u>	<u>41,367,633</u>	<u>38,981,903</u>	<u>43,446,453</u>	<u>44,560,862</u>	<u>52,071,505</u>	<u>52,036,263</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>561,135</u>	<u>(1,092,036)</u>	<u>(361,078)</u>	<u>(770,727)</u>	<u>(3,239,997)</u>	<u>764,628</u>	<u>(638,536)</u>	<u>(455,283)</u>	<u>(7,478,669)</u>	<u>(3,871,800)</u>
Other Financing Sources (Uses):										
Proceeds from Borrowing									17,216,000	
Capital Leases (non-budgeted)		(87,846)		249,543	2,550,000			80,593		
NJ Economic Development Authority Grants		208,447		126,140						
Transfers In		(227,927)		(27,595)	(50,023)	(36,303)	(38,837)	(50,931)	(23,463)	(24,259)
Transfers Out	(92,857)									(307,054)
Cancellation of Prior Year Accounts Receivable	(32,857)	(117,326)		348,148	2,499,977	(36,303)	(38,837)	29,662	17,192,537	(331,313)
Total Other Financing Sources (Uses)	<u>(92,857)</u>	<u>(1,209,362)</u>	<u>(361,078)</u>	<u>(422,579)</u>	<u>(740,020)</u>	<u>728,325</u>	<u>(877,373)</u>	<u>(425,621)</u>	<u>9,713,868</u>	<u>(4,203,113)</u>
Net Change in Fund Balances	\$ <u>528,278</u>	\$ <u>(1,209,362)</u>	\$ <u>(361,078)</u>	\$ <u>(422,579)</u>	\$ <u>(740,020)</u>	\$ <u>728,325</u>	\$ <u>(877,373)</u>	\$ <u>(425,621)</u>	\$ <u>9,713,868</u>	\$ <u>(4,203,113)</u>
Debt service as a percentage of noncapital expenditures	3.37%	3.07%	3.12%	3.16%	3.07%	2.99%	2.69%	2.65%	2.53%	3.84%

Source: District records, CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

MOUNTAIN LAKES BOARD OF EDUCATION
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 Unaudited

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	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Interest Earned on Deposits/Investments	\$ 786	\$	\$ 643	\$ 15,648	\$	\$ 29,744	\$ 34,769	\$ 61,562	\$ 53,600	\$ 8,575
Miscellaneous	52,917	57,132	54,005	32,306	70,075	44,549	6,018	299,758	211,023	561,294
Rentals	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	211,023	561,294
Tuition - Hearing Impaired School	10,016,239	9,664,976	8,965,093	8,826,917	8,391,079	8,984,091	8,851,108	8,471,644	8,127,921	8,047,628
Tuition - Other	4,088,575	3,787,552	4,153,191	4,226,170	4,166,884	4,769,196	4,843,046	4,880,138	4,921,034	5,286,824
Annual Totals	\$14,298,518	\$13,649,660	\$13,312,932	\$13,241,042	\$12,768,038	\$13,967,580	\$13,874,941	\$13,853,103	\$13,313,579	\$ 13,904,320

Source: District Records

REVENUE CAPACITY

**MOUNTAIN LAKES BOARD OF EDUCATION
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
Unaudited**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Req.	Qfarm	Commercial	Industrial	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2012	\$ 20,677,400	\$ 1,159,132,100	\$ 2,700	*	\$ 101,049,400	\$ 3,226,100	\$ 1,284,087,700	\$ 1,274,842	\$ 1,285,362,542	\$ 1,283,298,950	\$1.509
2013	20,488,200	1,062,765,900	2,700	*	94,307,800	3,226,100	1,180,790,700	1,284,800	1,182,075,500	1,288,786,647	1.651
2014	19,674,200	1,070,204,200	2,700	*	94,307,800	3,226,100	1,187,415,000	1,284,800	1,188,699,800	1,323,302,228	1.662
2015	16,352,300	1,075,076,800	2,700	*	94,294,700	3,226,100	1,188,952,600	803,200	1,189,755,800	1,319,415,553	1.697
2016	14,105,200	1,081,603,000	2,700	*	94,161,900	3,226,100	1,193,098,900	803,200	1,193,902,100	1,330,295,840	1.730
2017	10,745,400	1,089,417,800	2,700	*	93,676,200	3,226,100	1,197,068,200	803,200	1,197,871,400	1,324,676,089	1.765
2018	9,869,400	1,093,227,900	2,700	*	93,587,200	3,226,100	1,199,913,300	803,200	1,200,716,500	1,358,122,934	1.802
2019	11,969,400	1,088,312,200	1,500	*	87,913,100	3,226,100	1,191,422,300	803,200	1,192,225,500	1,343,655,471	1.859
2020	11,634,500	1,083,844,800	1,500	*	85,543,300	3,226,100	1,184,250,200	803,200	1,185,053,400	1,270,912,810	1.947
2021	9,197,100	1,110,953,200		1,400	94,351,900	3,158,800	1,217,662,400	803,200	1,218,465,600	1,315,205,618	1.972

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

^b Tax rates are per \$100

**MOUNTAIN LAKES BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
Unaudited**

(Rate per \$100 of Assessed Value)

Fiscal Year Ended June 30,	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Municipal Rate	County Rate	
2012	\$ 1.410	\$ 0.100	\$ 1.510	\$ 0.410	\$ 0.250	\$ 2.170
2013	1.550	0.100	1.650	0.460	0.270	2.380
2014	1.560	0.100	1.660	0.480	0.290	2.430
2015	1.600	0.100	1.700	0.490	0.280	2.470
2016	1.630	0.100	1.730	0.510	0.280	2.520
2017	1.670	0.100	1.770	0.520	0.290	2.580
2018	1.710	0.100	1.810	0.530	0.300	2.640
2019	*	*	*	0.560	0.290	0.850
2020	1.840	0.110	1.950	0.570	0.280	2.800
2021	1.880	0.092	1.972	0.563	0.271	2.806

Source: Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

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

* Data Unavailable

MOUNTAIN LAKES BOARD OF EDUCATION
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO
Unaudited

Taxpayer	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
SUNRISE OF MOUNTAIN LAKES PROPCO	\$ 10,000,000	0.82%		*
BLUE 701 LLC	10,000,000	0.82%		*
ETLSLN-US LLC	8,500,000	0.70%		*
EUROIMMUN US REAL ESTATE LLC	5,850,000	0.48%		*
MTN LAKES RTYLLC-C/O PAGANO REALES	5,000,000	0.41%		*
PULTE HOME OF NJ LP	4,922,500	0.40%		*
ML MANSION ON 46 LLC	4,200,000	0.34%		*
DELUXE MANUFACTURING OPERATIONS INC	3,500,000	0.29%		*
ZERIS BROTHERS, INC	3,025,500	0.25%		*
MOUNTAIN LAKES CLUB	2,900,000	0.24%		*
FAIRFIELD INDUSTRIAL, LLC			Not Available	*
GIM MOUNTAIN LAKES INVESTORS, LLC			2,912,700	*
GIM MOUNTAIN LAKES INVESTORS, LLC			4,920,000	*
MOUNTAIN LASKES ASSOCIATION			15,174,100	*
DELUXE CORPORATION			8,450,000	*
EVERGREEN REALTY GROUP, LLC			6,750,000	*
INDIVIDUAL TAXPAYER 1			6,553,800	*
INDIVIDUAL TAXPAYER 2			5,818,600	*
			4,200,000	*
			3,534,700	*
			2,869,300	*
	\$ 57,898,000	4.75%	\$ 61,183,200	

Source: Municipal Tax Assessor

*Data was not provided by School District.

**MOUNTAIN LAKES BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
*Unaudited***

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a	
		Amount	Percentage of Levy
2012	\$ 19,397,814	\$ 19,397,814	100.00%
2013	19,519,078	19,519,078	100.00%
2014	19,761,187	19,789,503	100.14%
2015	20,190,214	20,161,897	99.86%
2016	20,650,265	20,650,266	100.00%
2017	21,139,353	21,133,353	99.97%
2018	21,626,484	21,632,484	100.03%
2019	22,170,843	22,170,843	100.00%
2020	23,076,801	23,076,801	100.00%
2021	24,023,533	24,023,533	100.00%

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

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

DEBT CAPACITY

**MOUNTAIN LAKES BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
*Unaudited***

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases				
2012	\$ 12,980,000	\$		\$ 12,980,000	3.73%	\$ 3,102
2013	12,205,000			12,205,000	3.70%	2,855
2014	11,415,000			11,415,000	3.30%	2,674
2015	10,590,000	199,634		10,789,634	3.20%	2,532
2016	9,535,000	2,675,148		12,210,148	3.61%	2,848
2017	8,655,000	2,493,186		11,148,186	3.00%	2,573
2018	7,775,000	2,157,439		9,932,439	2.78%	2,286
2019	6,860,000	1,890,646		8,750,646	2.40%	2,014
2020	23,161,000	1,736,098		24,897,098	*	5,896
2021	22,206,000	1,572,068		23,778,068	5.57%	5,665

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

*Unavailable

**MOUNTAIN LAKES BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
*Unaudited***

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value ^a of</u> <u>Property</u>	<u>Per Capita ^b</u>
2012	\$ 12,980,000	\$	\$ 12,980,000	1.01%	\$ 3,036
2013	12,205,000		12,205,000	1.03%	2,859
2014	11,415,000		11,415,000	0.96%	2,678
2015	10,590,000		10,590,000	0.89%	2,470
2016	9,535,000		9,535,000	0.80%	2,201
2017	8,655,000		8,655,000	0.72%	1,992
2018	7,775,000		7,775,000	0.65%	1,789
2019	6,860,000		6,860,000	0.58%	1,624
2020	23,161,000	23,161,000			
2021	22,206,000	22,206,000			*

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

(a) See Exhibit J-6 for property tax data.

(b) Population data can be found on Exhibit J-14.

Source: District Records

* Data Unavailable

**MOUNTAIN LAKES BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021
Unaudited**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Governmental Unit</u>			
Debt Repaid with Property Taxes:			
Net Overlapping Debt of School District:			
Borough of Mountain Lakes	\$ 15,394,810	100.000%	\$ 15,394,810
County of Morris General Obligation Debt	<u>250,902,245</u>	1.309%	<u>3,284,602</u>
Sub-Total Overlapping Debt			18,679,412
Borough of Mountain Lakes District Direct Debt			
Total Direct and Overlapping Debt			<u><u>\$ 18,679,412</u></u>

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

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

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

MOUNTAIN LAKES BOARD OF EDUCATION
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
Unaudited

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 56,707,142	\$ 54,166,687	\$ 52,463,579	\$ 51,934,036	\$ 52,297,612	\$ 52,687,105	\$ 52,752,352	\$ 53,658,316	\$ 53,373,917	\$ *
Total Net Debt Applicable to Limit	13,485,000	12,980,000	12,205,000	11,415,000	10,690,000	9,535,000	8,655,000	7,775,000		
Legal Debt Margin	\$ 43,222,142	\$ 41,186,687	\$ 40,258,579	\$ 40,519,036	\$ 41,707,612	\$ 43,152,105	\$ 44,097,352	\$ 45,883,316	\$ 53,373,917	\$ *
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	23.78%	23.96%	23.26%	21.98%	20.25%	18.10%	16.41%	14.49%		*

Legal Debt Margin Calculation for Fiscal Year 2020

	Year	Equalized Valuation Basis
	2020	\$
	2019	
	2018	
Average Equalized Valuation of Taxable Property	[A]	\$
Debt limit (0% of average equalization value)	[A/3]	0
Total Net Debt Applicable to Limit	[B]	\$
Legal debt margin	[C]	
	[B-C]	\$

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

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

*Not Available at Time of Audit

DEMOGRAPHIC AND ECONOMIC INFORMATION

**MOUNTAIN LAKES BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**
Unaudited

<u>Year</u>	<u>Population</u> ^a	<u>Personal Income</u> ^b	<u>Per Capita Personal Income</u> ^c	<u>Unemployment Rate</u> ^d
2012	4,275	\$ 330,153,975	\$ 77,229	1.40%
2013	4,269	345,716,427	80,983	7.60%
2014	4,262	337,473,684	79,182	4.30%
2015	4,288	338,348,928	78,906	3.40%
2016	4,332	371,365,032	85,726	3.00%
2017	4,345	357,580,465	82,297	3.00%
2018	4,345	364,732,335	83,943	*
2019	4,223	*	N/A	
2020	4,197	426,608,262	101,646	2.40%
2021	*	*	*	5.30%

Source:

- ^a Population information provided by the NJ Department of Labor and Workplace Development.
- ^b Personal Income has been estimated based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income by municipality source is U.S. Census Data.
- ^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

*Unavailable

MOUNTAIN LAKES BOARD OF EDUCATION
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 Unaudited

<u>Employer</u>	2021			2012		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>
Mountain Lakes Board of Education	Not Available	Not Available	*	Not Available	Not Available	*
Deluxe Corp			*			*
Lakeland Hills Family YMCA			*			*
Craig School			*			*
Weichert Realtors			*			*
Coldwell Banker			*			*
Advantage Oil			*			*
Mountain Lakes Club			*			*
MSI Technologies			*			*
Mccann Health Managed Markets			*			*

Source: Morris County Chamber of Commerce

*Not Available at Time of Audit.

OPERATING INFORMATION

**MOUNTAIN LAKES BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
Unaudited**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Function/Program										
Instruction:										
Regular	112	113	114	115	115	118	118	160	113	130
Special Education	121	122	124	125	125	127	127	22	99	87
Other Special Education								50	2	
Support Services:										
Student and Instructional Related Services	76	76	76	81	83	85	85	29	59	80
School Administrative Service	19	19	19	19	19	19	19	28	14	13
Other Administrative Services	9	9	9	9	8	8	9	8	19	15
Plant Operations and Maintenance	26	26	26	26	26	26	27	23	25	24
Total	<u>363</u>	<u>365</u>	<u>368</u>	<u>375</u>	<u>376</u>	<u>383</u>	<u>385</u>	<u>320</u>	<u>331</u>	<u>349</u>

Source: District Personnel Records

MOUNTAIN LAKES BOARD OF EDUCATION
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Senior High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School					
2012	1,619	\$ 35,665,017	\$22,029	1.49%	228.0	14.0	11.0	10.0	1,619.7	1,550.4	(1.23%)	95.72%	
2013	1,638	37,666,437	22,995	4.39%	229.0	14.0	11.0	10.0	1,638.0	1,560.8	1.13%	95.29%	
2014	1,585	36,647,838	23,122	0.55%	229.0	14.0	11.0	10.0	1,585.0	1,514.0	(3.24%)	95.52%	
2015	1,556	34,894,272	22,426	(3.01%)	240.0	14.0	11.0	10.0	1,556.0	1,488.0	(1.83%)	95.63%	
2016	1,534	37,142,739	24,213	7.97%	240.0	14.0	11.0	10.0	1,534.0	1,466.0	(1.41%)	95.57%	
2017	1,594	37,533,800	23,547	(2.75%)	245.0	14.0	11.0	10.0	1,594.0	1,525.0	3.91%	95.67%	
2018	1,531	38,717,153	25,289	7.40%	246.0	14.0	11.0	10.0	1,531.0	1,457.0	(3.95%)	95.17%	
2019	1,587	41,498,671	26,149	3.40%	182.0	11.0	13.0	13.0	1,574.0	1,502.0	2.81%	95.43%	
2020	1,454	43,291,040	29,774	13.86%	165.0	1:10	1:9	1:10	1,549.0	1,491.0	(1.59%)	96.26%	
2021	1,478	44,814,416	30,321	1.84%	160.0	11.0	9.0	10.0	1,477.8	1,434.3	(4.60%)	97.06%	

Source: District Records

Note:

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

MOUNTAIN LAKES BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
Unaudited

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
District Building										
Elementary										
Wildwood Elementary (1950) (1965) (1999)	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	45,580
Square Feet	625	625	625	625	625	625	625	625	625	N/A
Capacity (Students)	496	481	468	456	455	450	465	454	458	441
Enrollment										
Middle/Junior-High School										
Briarcliff Middle School (1935) (1999)	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	64,800
Square Feet	269	269	269	269	269	269	269	269	269	N/A
Capacity (Students)	319	301	310	304	317	315	307	292	266	273
Enrollment										
High School										
Mountain Lakes High School (1953) (1972) (2006)	150,000	150,000	150,000	150,000	150,000	150,000	150,000	160,000	160,000	150,021
Square Feet	750	750	750	750	750	750	750	750	750	N/A
Capacity (Students)	727	720	677	672	672	675	721	726	632	674
Enrollment										
Special Ed. School										
Lake Drive School for Deaf and Hard of Hearing Children (1914) (1920)	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	48,000
Square Feet	194	194	194	194	194	194	194	194	194	N/A
Capacity (Students)	77	75	80	123	118	116	115	103	98	91
Enrollment										
Other										
Central Administration	1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186	2,100
Square Feet										
Total Enrollment - All Schools	1,619	1,587	1,535	1,555	1,562	1,556	1,608	1,575	1,454	1,478
Number of Schools at June 30, 2021:										
Elementary = 1										
Middle = 1										
High School = 1										
Special Ed. School = 1										
Other = 1										

Source: District Maintenance Office

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

MOUNTAIN LAKES BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES
11-000-361-000

Project #	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total School Facilities
<i>School Facilities*</i>											
Wildwood Elementary - WW	\$ 118,173.00	\$ 123,440.00	\$ 149,416.00	\$ 125,295.00	\$ 137,394.00	\$ 149,714.00	\$ 157,544.00	\$ 185,013.00	\$ 208,697.00	\$ 91,831.45	\$ 1,439,514.45
Bharciff Middle - BC	73,329.00	83,903.00	92,935.00	80,719.00	80,783.00	112,350.00	112,350.00	237,391.00	193,282.00	120,349.80	1,182,126.90
Lake Drive School - LR	81,202.00	131,471.00	135,419.00	90,512.00	121,260.00	112,107.00	142,676.00	271,410.00	210,316.00	81,991.48	1,333,054.48
M. L. High School - HS	360,295.00	339,009.00	385,893.00	352,239.00	387,523.00	421,874.00	472,293.00	243,892.00	311,700.13	280,372.51	3,576,095.94
Total	\$ 652,999.00	\$ 687,823.00	\$ 764,653.00	\$ 649,765.00	\$ 726,957.00	\$ 787,054.00	\$ 870,540.00	\$ 887,455.00	\$ 928,985.13	\$ 574,545.24	\$ 7,530,791.47

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

Source: District Records

MOUNTAIN LAKES BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2021
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Utica National Insurance Group		
Property- Blanket Building & Contents	\$ 72,911,169	\$ 5,000
General Liability Coverage		
Products Completed Operations Aggregate Limit	3,000,000	
Personal and Advertising Injury Limit	1,000,000	5,000
Each Occurrence Liability	1,000,000	1,000
Damage to Premises Rented to you Limit	1,000,000	
Medical Expense Limit	10,000	
School Leaders Errors and Omissions Liability		5,000
Annual Aggregate	3,000,000	
Employment - Related Practices		5,000
Employee Benefit Programs		1,000
Cyber Suite		10,000
Crime Coverage- Public Employee Dishonesty	100,000	
Electronic Data Processing	1,450,000	1,000
Automobile	1,000,000	250
Commercial Liability Umbrella	15,000,000	10,000
Builders Risk - Construction	12,000,000	10,000
ACE American Insurance Company		
Cyber Liability	1,000,000	15,000
Berkeley Life and Health Insurance Company		
Student Accident Insurance- Compulsory Coverage	1,000,000	
Hudson Excess Insurance Company		
Excess Umbrella Liability	20,000,000	
Firemen's Fund Indemnity Corporation		
Excess Umbrella Liability	25,000,000	
Morris Essex Worker's Compensation Joint Insurance Fund		
Worker's Compensation Insurance	100,000/500,000/100,000	
Utica National Insurance Group		
Surety Bonds:		
Treasurer	300,000	500
School Business Administrator	120,000	500

*Coverage is included in the General Liability Coverage

SINGLE AUDIT SECTION

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

The Honorable President and Members
of the Board of Education
Borough of Mountain Lakes Board of Education
County of Morris
Mountain Lakes, New Jersey 07046

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Mountain Lakes Board of Education, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Borough of Mountain Lakes Board of Education's basic financial statements, and have issued our report thereon dated February 10, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Mountain Lakes 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 Borough of Mountain Lakes School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

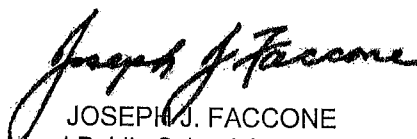
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of the Borough of Mountain Lakes 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 matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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



JOSEPH J. FACCONI
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
February 10, 2022

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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF EXPENDITURES OF STATE AWARDS REQUIRED BY
NEW JERSEY OMB CIRCULAR LETTER 15-08**

The Honorable President and Members
of the Board of Education
Borough of Mountain Lakes Board of Education
County of Morris
Mountain Lakes, New Jersey 07046

Report on Compliance for Each Major State Program

We have audited the Borough of Mountain Lakes Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2021. The Borough of Mountain Lakes School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Mountain Lakes School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *New Jersey State Aid/Grant Compliance Supplement*, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJOMB 15-08)*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Mountain Lakes 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 state program. However, our audit does not provide a legal determination of the Borough of Mountain Lakes School District's compliance.

Opinion on Each Major State Program

In our opinion, the Borough of Mountain Lakes School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Borough of Mountain Lakes School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Mountain Lakes 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 NJOMB's 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 Borough of Mountain Lakes School District's internal control over compliance.

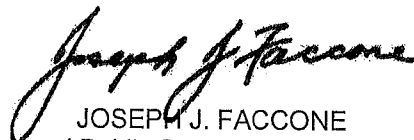
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

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

Report on Schedules of Expenditures of State Awards Required by the New Jersey OMB's Circular 15-08

We have audited the financial statements of the Borough of Mountain Lakes School District as of and for the year ended June 30, 2020, and have issued our report thereon dated February 10, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of state awards are presented for purposes of additional analysis as required by the New Jersey OMB's Circular 15-08 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.



JOSEPH J. FACCONI
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
February 10, 2022

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

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant of State Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2020	Carryover/ (Waiver) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Receivable)	Balance at June 30, 2021 Deferred Inflows	Due to Grantor
U.S. Department of Education: Pass-Through State Department of Education: Special Revenue Fund:														
E.S.E.A. Title I A	84-010	S010A15030	NCLB-3460-21	\$ 23,003.00	7/1/2020	\$ -	\$ -	\$ 23,003.00	\$ (23,003.00)	\$ -	\$ -	\$ -	\$ -	
E.S.E.A. Title II A	84-387A	S387A200029	NCLB-3460-21	10,827.00	7/1/2020	-	-	10,827.00	(10,827.00)	-	-	-	-	
E.S.E.A. Title II A	84-387A	S387A180029	NCLB-3460-20	16,874.00	7/1/2019	(13,154.00)	-	16,874.00	(4,475.00)	-	-	-	-	
E.S.E.A. Title II A	84-387A	S387A180029	NCLB-3460-19	13,152.00	7/1/2019	138.00	-	13,152.00	-	-	138.00	-	-	
E.S.E.A. Title II A	84-387A	S387A160029	NCLB-3460-17	20,873.00	7/1/2016	8,506.75	-	20,873.00	-	-	8,506.75	-	-	
E.S.E.A. Title II A	84-387A	S387A150029	NCLB-3460-14	21,693.00	9/1/2016	2.20	-	21,693.00	-	-	2.20	-	-	
E.S.E.A. Title IV	84-424	S424A190031	NCLB-3460-20	10,000.00	7/1/2019	-	-	10,000.00	(10,000.00)	-	-	-	-	
E.S.E.A. Title IV	84-424	S424A200031	NCLB-3460-20	258,226.00	7/1/2020	-	-	258,226.00	-	-	-	-	-	
I.D.E.A. Part B, Basic	84-027	H027A190100	IDEA-3460-21	326,962.00	7/1/2019	(22,281.00)	-	326,962.00	(245,787.00)	0.25	-	0.25	-	
I.D.E.A. Part B, Basic	84-027	H027A180100	IDEA-3460-19	236,416.00	7/1/2019	11,770.00	-	236,416.00	(51,011.00)	-	-	11,770.00	-	
I.D.E.A. Part B, Basic	84-027	H027A170100	IDEA-3460-18	283,713.00	7/1/2017	(10,960.73)	-	283,713.00	-	-	-	-	-	
I.D.E.A. Part B, Basic	84-027	H027A160100	IDEA-3460-16	312,983.00	7/1/2015	(46,735.14)	-	312,983.00	(46,735.14)	-	-	-	-	
I.D.E.A. Part B, Preschool	84-173	H173A190114	IDEA-3460-21	7,118.00	7/1/2020	-	-	7,118.00	(7,118.00)	-	-	-	-	
I.D.E.A. Part B, Preschool	84-173	H173A180114	N/A	7,096.00	7/1/2019	7,096.00	-	7,096.00	-	-	-	-	-	
CRFSA ESSER I	84-45D	S45D210027	N/A	75,682.00	9/3/2020	-	-	75,682.00	(23,936.00)	-	-	7,096.00	-	
NON TITLE I CARES	84-46SD	S46SD210027	N/A	35,281.00	9/3/2021	-	-	35,281.00	(35,281.00)	-	-	-	-	
CARES Digital Divide	84-42SD	S42SD200027	N/A	7,007.03	7/1/2020	-	-	7,007.03	(7,007.03)	-	-	-	-	
Total Special Revenue Fund				\$ 205,192.00		\$ (65,686.92)	\$ -	\$ 205,192.00	(418,445.03)	0.25	8,647.95	18,866.25	\$ -	
Total Federal Financial Awards				\$ 205,192.00		\$ (65,686.92)	\$ -	\$ 205,192.00	(418,445.03)	0.25	8,647.95	18,866.25	\$ -	

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

MOUNTAIN LAKES 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	Award Amount	Grant Period		Balance June 30, 2020 Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures Pass-Through Funds	Adjustments	Repayment of Prior Years' Balance	Intergovernmental (Accounts Receivable)	Balance June 30, 2021 Deferred Interest Payable	Due to Grantor	Memo	
			From	To											Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:																
General Fund:																
Transportation Aid	21-495-034-5120-014	\$ 78,377.00	7/1/2020	6/30/2021	\$ -	\$ -	\$ 78,377.00	\$ (78,377.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation Aid	20-495-034-5120-014	78,377.00	7/1/2019	6/30/2020	-	-	-	(78,377.00)	-	-	-	-	-	-	78,377.00	-
Special Education Categorical Aid	21-495-034-5120-089	796,095.00	7/1/2020	6/30/2021	-	-	796,095.00	(796,095.00)	-	-	-	-	-	-	796,095.00	-
Special Education Categorical Aid	20-495-034-5120-089	720,615.00	7/1/2019	6/30/2020	-	-	-	(720,615.00)	-	-	-	-	-	-	-	-
Security Aid	21-495-034-5120-084	38,961.00	7/1/2020	6/30/2021	-	-	38,961.00	(38,961.00)	-	-	-	-	-	-	38,961.00	-
Security Aid	20-495-034-5120-084	38,961.00	7/1/2019	6/30/2020	-	-	-	(38,961.00)	-	-	-	-	-	-	-	-
Extraordinary Aid	21-495-034-5120-044	245,660.00	7/1/2020	6/30/2021	(155,978.00)	-	155,979.00	(245,660.00)	-	-	(245,660.00)	-	-	-	245,660.00	-
Extraordinary Aid	20-495-034-5120-044	155,979.00	7/1/2019	6/30/2020	-	-	-	-	-	-	-	-	-	-	-	-
On-Behalf TPAF Long-Term Disability	19-495-034-5120-014	7,260.00	7/1/2018	6/30/2019	-	-	-	-	-	-	-	-	-	-	-	-
TPAF - Long-Term Disability	21-495-034-5094-002	4,961,535.00	7/1/2020	6/30/2021	-	-	4,961,535.00	(4,961,535.00)	-	-	-	-	-	-	4,961,535.00	-
TPAF - Post Retirement Medical Contribution	21-495-034-5094-004	2,554.00	7/1/2020	6/30/2021	-	-	2,554.00	(2,554.00)	-	-	-	-	-	-	2,554.00	-
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	1,317,398.99	7/1/2020	6/30/2021	(67,349.07)	-	1,554,868.00	(1,554,868.00)	-	-	-	-	-	-	1,554,868.00	-
Reimbursed TPAF Social Security Contribution	21-495-034-5094-003	1,395,576.67	7/1/2020	6/30/2021	(223,338.07)	-	8,973,143.89	(9,093,626.67)	-	-	(68,150.85)	-	-	-	1,395,576.67	-
Total General Fund																
Special Revenue Fund:																
New Jersey Nonpublic Aid	21-100-034-5120-064	4,948.00	7/1/2020	6/30/2021	-	-	4,948.00	(4,944.80)	96.08	-	-	-	3.20	-	4,948.00	-
Textbook Aid	20-100-034-5120-064	4,480.00	7/1/2019	6/30/2020	96.00	-	-	-	-	-	-	-	96.08	-	-	-
Auxiliary Services	15-100-034-5120-067	2,473.32	7/1/2014	6/30/2015	(473.32)	-	-	-	-	-	(473.32)	-	-	-	-	-
Harmonizing Services	21-100-034-5120-066	15,641.00	7/1/2020	6/30/2021	-	-	12,270.50	(14,523.65)	-	-	(2,253.15)	-	-	-	14,523.65	-
Examination and Classification - Annual	21-100-034-5120-068	14,286.00	7/1/2020	6/30/2021	-	-	20,697.64	(10,397.18)	-	-	-	-	-	-	10,300.46	-
Examination and Classification - Initial	20-100-034-5120-068	24,799.00	7/1/2019	6/30/2020	(3,423.56)	-	-	-	-	-	-	-	-	-	7,797.72	-
Corrective Speech	20-100-034-5120-066	20,962.00	7/1/2019	6/30/2020	-	-	26,621.86	(22,055.88)	7,787.72	-	(3,423.56)	-	-	-	4,665.98	-
Corrective Speech	21-100-034-5120-066	22,203.00	7/1/2020	6/30/2021	(1,444.42)	-	5,741.62	(1,444.42)	-	-	(1,444.42)	-	-	-	5,741.62	-
Supplementary Instruction	19-100-034-5120-070	8,262.00	7/1/2018	6/30/2019	-	-	-	-	-	-	-	-	-	-	-	-
Nursing Services	21-100-034-5120-070	3,132.00	7/1/2020	6/30/2021	-	-	8,262.00	(8,262.00)	-	-	-	-	-	-	-	-
Technology Initiative	19-100-034-5120-073	3,060.00	7/1/2019	6/30/2020	-	-	-	-	-	-	-	-	-	-	-	-
Technology Initiative	20-100-034-5120-073	14,175.00	7/1/2020	6/30/2021	12.00	-	14,175.00	(14,175.00)	-	-	-	-	12.00	-	-	-
Security Aid	21-100-034-5120-509	12,750.00	7/1/2020	6/30/2021	-	-	-	-	-	-	-	-	-	-	-	-
Security Aid	20-100-034-5120-509	346,692.79	7/1/2019	6/30/2020	27,461.41	-	-	-	-	-	-	-	-	-	-	-
Health Sciences EIP	05-217-EIP-M3	286,813.32	7/1/2019	6/30/2020	68,072.79	-	-	-	-	-	-	-	-	-	-	-
Coronavirus Relief Fund	05-217-EIP-M3	27,854.00	7/1/2020	6/30/2021	90,192.88	-	9,087,972.89	(9,165,838.18)	17,859.17	-	(7,594.47)	-	128,263.01	108.00	27,854.00	-
Total Special Revenue Fund																
Total State Financial Assistance																
															\$ 86,513.00	\$ 9,155,445.20
Less: On-Behalf Pension System Contributions																
On-Behalf TPAF Pension Contributions																\$ 4,961,535.00
On-Behalf TPAF Post-Retirement Medical Contributions																1,554,868.00
On-Behalf TPAF Long-Term Disability Contributions																2,554.00
																6,518,957.00
																\$ (2,646,882.18)
Total - Major Program Determination for State Financial Assistance																

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

BOROUGH OF MOUNTAIN LAKES SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2021

1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Borough of Mountain Lakes School District. The School District is defined in Note 1(A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed-through other government agencies is included on the Schedule of Federal Awards and State Financial Assistance.

2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State 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 2 to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the basic financial statements.

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 and capital projects fund are 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.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(8,268.00) for the general fund and \$(18,759.73) for the special revenue fund. See Note 2 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 9,055,358.67	\$ 9,055,358.67
Special Revenue Fund	409,724.53	93,462.51	503,187.04
Debt Service	<u> </u>	<u>173,541.00</u>	<u>173,541.00</u>
Totals	<u>\$ 409,724.53</u>	<u>\$ 9,322,362.18</u>	<u>\$ 9,732,086.71</u>

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.

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loans payable outstanding to federal or state entities at June 30, 2021.

6. OTHER

The amount reported as TPAF Post-Retirement Medical Benefit Contributions, Teacher's Pension Contributions and Noncontributory Insurance Contributions represents the amounts paid directly by the State On-Behalf of the 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.

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

On-Behalf State Programs for TPAF Pensions, Noncontributory Insurance and Post-Retirement Medical Benefits Contributions are not subject to a State single audit. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

8. DE MINIMIS INDIRECT COST RATE

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

**BOROUGH OF MOUNTAIN LAKES SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditor's Results

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report Issued:

Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified

_____ Yes √ No

2) Significant deficiencies identified?

_____ Yes √ None Reported

Noncompliance material to basis financial statements noted?

_____ Yes √ No

State Financial Assistance

Internal control over major programs:

1) Material weakness(es) identified

_____ Yes √ No

2) Significant deficiencies identified that are not considered to be material weaknesses?

_____ Yes √ None Reported

Type of auditor's 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 programs:

State Grant Number(s)

Name of State Program

21-495-034-5120-089
21-495-034-5094-003

Categorical Special Education Aid
Reimbursed TPAF Social Security

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

\$750,000.00

Auditee qualified as low-risk auditee?

_____ Yes √ No

Section II - Financial Statement Findings:

No financial statement findings that are required to be reported under *Government Auditing Standards*.

Section III - State Financial Assistance Findings and Questioned Costs:

There were no findings or questioned costs for state financial assistance.

**BOROUGH OF MOUNTAIN LAKES SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR ENDED JUNE 30, 2021**

There were no prior years' findings.

