

MONTVALE BOARD OF EDUCATION

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2022

MONTVALE BOARD OF EDUCATION

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

***Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2022***

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT
OF THE
MONTVALE BOARD OF EDUCATION
MONTVALE, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022***

***Prepared by
Montvale Board of Education
Finance Department***

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

STATE BOARD OF EDUCATION

KATHY A. GOLDENBERG President	Burlington
ANDREW J. MULVIHILL Vice President	Sussex
ARCELIO APONTE	Middlesex
MARY BETH BERRY	Hunterdon
ELAINE BOBROVE	Camden
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**Angelica Allen-McMillan, Ed.D, Acting Commissioner
Secretary, State Board of Education**

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INTRODUCTORY SECTION



Montvale Board of Education

Andrea Wasserman
School Business Administrator
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Montvale, NJ 07645
Fax: 201-391-8935

March 1, 2023

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

Dear Board Members:

The comprehensive annual financial report of the Montvale School District for the fiscal year ending June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate and is reported in a manner designed to present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the Montvale School District as of June 30, 2022, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the Montvale School District's financial activities have been included.

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

1] REPORTING ENTITY AND ITS SERVICES: The Montvale School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB statement #14. All funds and account groups of the district are included in this report. The Montvale School District Board of Education and all its schools constitute the district's reporting entity. The district provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular

and special education for handicapped students. The district completed the 2021-22 fiscal year with an average enrollment of 949.84 students, an increase of 21 students as compared to the previous year's average daily enrollment. The following details the changes in the student enrollment of the Montvale School District over the last five years. The Borough of Montvale is anticipating new residential developments in the coming years. Depending on the timing of the construction, it is anticipated school enrollment will increase in the coming years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021-2022	949.84	+2.24%
2020-2021	929.02	-5.84%
2019-2020	986.68	+1.79%
2018-2019	969.35	-3.03%
2017-2018	999.68	+0.30%

2] ECONOMIC CONDITION AND OUTLOOK: The Borough of Montvale enjoys very high ratables, due mainly to the large section of the community zoned for offices occupied by major corporations. Property assessments have increased due to new housing construction.

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

All students will be accommodated in the existing Memorial Elementary and Fieldstone Middle Schools for the 2022-23 school year. Class sizes are below 23 students at the elementary level and in the middle school.

3] MAJOR INITIATIVES: The Board of Education annually reviews school building needs and prioritizes the identified items. The community passed a referendum in December of 2021 to finance a variety of building projects in both schools. Projects are currently underway and other projects are being planned. The district will continue to invest in maintaining and improving the buildings and grounds of the district.

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

The Montvale Schools continue to improve and upgrade technology to include more wireless technology and has expanded the one-to-one Chromebook initiative to include all students in grades 2 through 8. Chromebooks on carts are available for grade levels that do not have one-to-one.

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

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

differentiated instruction, and best practices in teaching reading and writing. The administration and teaching staff use data to drive instruction.

4) INTERNAL ACCOUNTING CONTROLS: Administration is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Montvale School District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles [GAAP]. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: [1] the cost of a control should not exceed the benefits likely to be derived, and [2] the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the Montvale School District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluations by the district management.

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the Montvale School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by voters of the municipality. Annual appropriated budgets are adopted for the general fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2022.

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

7) DEBT ADMINISTRATION: On May 15, 2000, the district sold 20-year bonds in the amount of \$5,083,000. The district made interest payments each May and November, and one principal payment each May. This debt matured in May of 2021. The voters approved a referendum in April 2005. Twenty-year bonds in the amount of \$2,371,000 were sold on November 15, 2006. Interest payments are due each May and November, and one principal payment each November. The voters approved a referendum in December 2021. Twenty-two year bonds in the amount of \$29,414,000 were sold on February 9, 2022. Interest payments are due each August and February, and one principal payment each August.

8) CASH MANAGEMENT: The investment policy of the Montvale School District is guided in a large part by state statute. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ["GUDPA"]. GUDPA was enacted in 1970 to protect Governmental Units

from a loss of funds on deposit with a failed banking institution in New Jersey. The law required governmental units to deposit public funds only in public depositories in New Jersey, where the funds are secured in accordance with the Act.

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

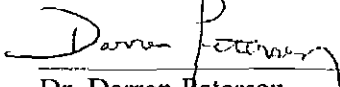
10) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Accounting Firm Barre & Company, LLC was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor’s report on the general-purpose financial statements and combined individual fund statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

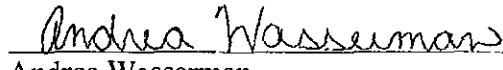
11) ACKNOWLEDGMENT:

We would like to express our appreciation to the members of the Montvale Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

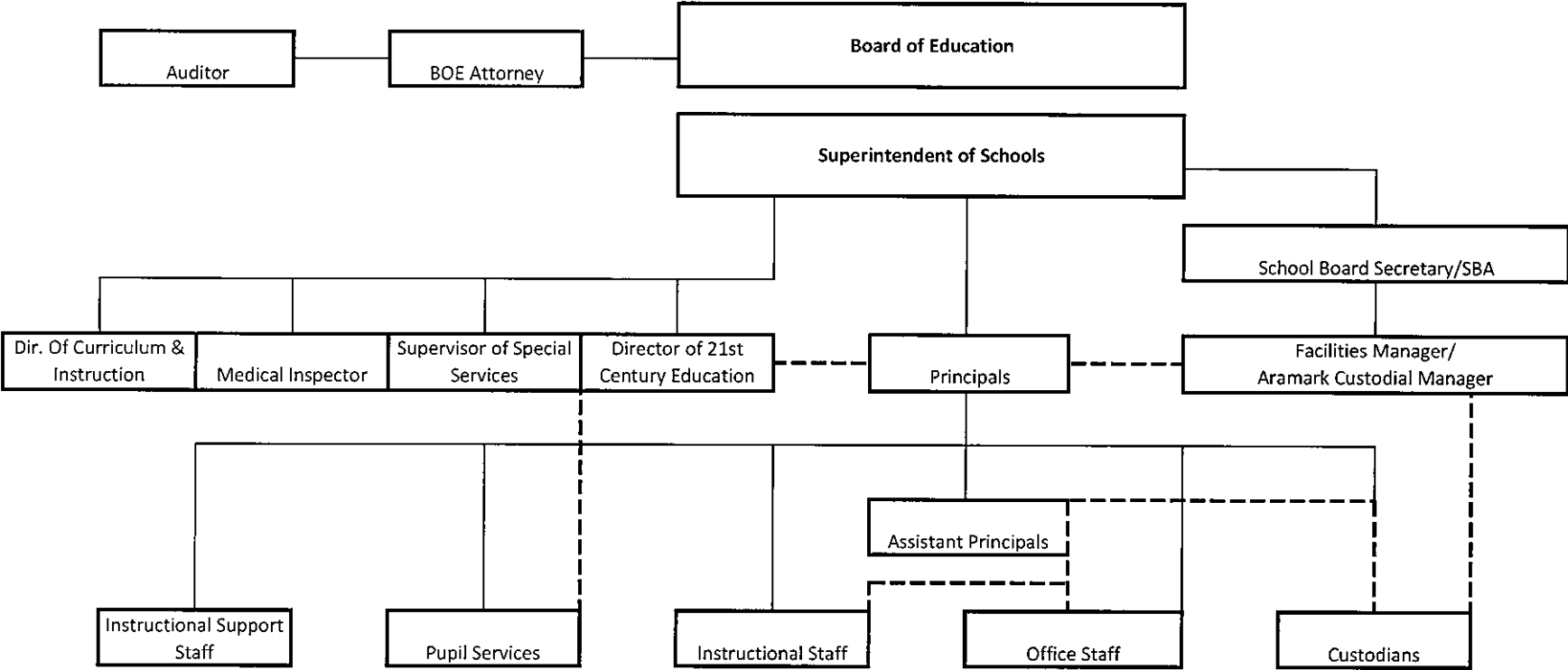


Dr. Darren Petersen
Superintendent of Schools



Andrea Wasserman
Board Secretary/School Business Administrator

MONTVALE PUBLIC SCHOOLS



MONTVALE SCHOOL DISTRICT
BERGEN COUNTY, NEW JERSEY

ROSTER OF OFFICIALS
JANUARY 2022

President	Term Expires
Ernie DiFiore	2024
Vice-President	
John Carvelli	2023

Members of the Board of Education

Amaka Auer	2023
Rachel Baskin	2023
Anita Bagdat	2022
Chris Colla	2024
Alisha Foley	2022

Other Officials

Superintendent	Dr. Darren Petersen
Board Secretary/School Business Administrator	Mrs. Andrea Wasserman
Solicitors	Stephen R. Fogarty Fogarty & Hara, Esqs.

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

CONSULTANTS AND ADVISORS

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OFFICAL DEPOSITORY

Capital One Bank
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BARRE & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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Independent Auditor's Report

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Montvale Board of Education (School District), in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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 and each major fund of the Montvale Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2022, and the respective changes in the financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Montvale Board of Education's basic financial statements. The combining and related major fund supporting statements and schedules are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of New Jersey's Circular 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Information


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

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

Other Reporting Required by *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey

In accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey, we have also issued our report dated March 1, 2023 on our consideration of the Montvale Board of Education’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey and the Office of School Finance, Department of Education, State of New Jersey in considering the School District’s internal control over financial reporting and compliance.


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountant


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

Union, New Jersey
March 1, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED**

The Management's Discussion and Analysis (MD&A) of Montvale Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance. Certain comparative information between the current year (2021-2022) and the prior year (2020-2021) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2022 are as follows:

- ❖ The assets and deferred outflow of resources of the Montvale Board of Education exceeded its liabilities and deferred inflow of resources at the close of the fiscal year by \$28,232,395 (net position).
- ❖ The District's overall net position increased by \$1,303,147 or 4.62%.
- ❖ General revenues accounted for \$25,325,877 in revenue or 95% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,285,533 or 5% of total revenues of \$26,611,410.
- ❖ The School District had \$25,308,263 in expenses; with \$1,285,533 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$25,325,877 were adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$23,201,448 in revenues and \$21,733,931 in expenditures and other financing sources. The General Fund's fund balance increased \$1,467,517 over 2021. This increase was anticipated by the Board of Education.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and ask the question, "How did we do financially during 2022?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Reporting the School District’s Most Significant Funds

Fund Financial Statements

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

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

Governmental Funds

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

Proprietary Funds

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

Enterprise Fund

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

- Milk Program
- Montvale Summer Institute
- Child Care Program

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Fund Financial Statements (Continued)

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found starting on page 40 of this report.

Other Information

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

The School District as a Whole

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

Table 1 provides a summary of the School District's net position for 2022 and 2021.

**Table 1
Net Position**

	2022	2021
Assets		
Current and Other Assets	\$ 35,569,601	\$ 5,328,922
Capital Assets	26,128,490	26,408,807
Total Assets	61,698,091	31,737,729
Deferred Outflows of Resources		
Pensions	445,691	522,318
Total Deferred Outflows of Resources	445,691	522,318
Liabilities		
Account and Other Payables	455,448	634,410
Other Current Liabilities	27,443	24,508
Long-Term Liabilities	32,151,528	3,315,953
Total Liabilities	32,634,419	3,974,871
Deferred Inflows of Resources		
Pensions	1,276,968	1,355,928
Total Deferred Inflows of Resources	1,276,968	1,355,928
Net Position		
Net Investment in Capital Assets	25,382,490	25,648,168
Restricted	34,626,981	4,125,695
Unrestricted	(31,777,076)	(2,844,615)
Total Net Position	\$ 28,232,395	\$ 26,929,248

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

The School District as a Whole (Continued)

The District's combined net position (deficit) were \$28,232,395 on June 30, 2022, and \$26,929,248 for 2021.

Table 2 shows changes in net position for fiscal years ended 2022 and 2021.

**Table 2
Changes in Net Position**

	2022	2021
Revenues		
Program Revenues:		
Charges for Services	\$ 371,899	\$ 113,933
Operating Grants and Contributions	913,634	756,505
Capital Grants and Contributions	-	-
General Revenues:		
Property Taxes	17,460,403	17,533,585
Grants and Entitlements	7,670,274	6,733,885
Other	195,200	37,695
Total Revenues	<u>26,611,410</u>	<u>25,175,603</u>
Program Expenses		
Instruction	9,001,658	8,737,695
Support Services:		
Tuition	676,399	894,418
Student and Instruction Related	205,803	2,127,052
General and Business Administrative	11,774,712	9,160,116
School Administrative	739,912	716,025
Plant Operations and Maintenance	1,420,058	1,358,973
Pupil Transportation	674,503	558,349
Capital Outlay	498,448	346,231
Interest on Long-Term Debt	30,700	63,237
Unallocated Depreciation	6,206	6,210
Business-type activities:		
Milk Program	7,592	1,576
Montvale Summer Institute	10,988	-
Child Care	261,284	176,459
Total Program Expenses	<u>25,308,263</u>	<u>24,146,341</u>
Changes in Net Position	<u>\$ 1,303,147</u>	<u>\$ 1,029,262</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 66% for 2022 and 70% for 2021 of revenues for governmental activities for the Montvale Board of Education. The District's total revenues were \$26,334,539 for the year ended June 30, 2022, and \$25,114,023 for 2021. Federal, state, and local grants accounted for another 33% for 2022 and 30% for 2021 of revenues which includes \$4,547,994 for 2022 and \$3,554,512 for 2021 of state reimbursed TPAF social security contributions and on-behalf TPAF pension, post-retirement medical, and long-term disability insurance contributions.

The total cost of all program and services was \$25,028,399 for 2022 and \$23,968,306 for 2021. Instruction comprises 36% for 2022 and 36% for 2021 of District's expenses.

Business-Type Activities

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

- ❖ Expenses exceeded revenues by \$2,993 for 2022 and \$116,455 for 2021.
- ❖ Charges for services represent \$272,749 for 2022 and \$61,580 for 2021 of revenues. This represents amounts paid by patrons for the milk program, Montvale summer institute, and after-care program.
- ❖ Federal and state reimbursements for the milk program were \$4,122 for 2022 and none for 2021.

Governmental Activities

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Governmental Activities (Continued)

Table 3

	Total Cost of Services	
	2022	2021
Instruction	\$ 9,001,658	\$ 8,737,695
Support Services:		
Tuition	676,399	894,418
Student and Instruction Related	205,803	2,127,052
General and Business Administrative	11,774,712	9,160,116
School Administrative	739,912	716,025
Plant Operations and Maintenance	1,420,058	1,358,973
Pupil Transportation	674,503	558,349
Capital Outlay	498,448	346,231
Interest on Long-Term Debt	30,700	63,237
Unallocated Depreciation	6,206	6,210
Total Expenses	\$ 25,028,399	\$ 23,968,306

	Net Cost of Services	
	2022	2021
Instruction	\$ 8,284,408	\$ 8,173,857
Support Services:		
Tuition	676,399	894,418
Student and Instruction Related	157,203	2,093,434
General and Business Administrative	11,774,712	9,160,116
School Administrative	739,912	716,025
Plant Operations and Maintenance	1,420,058	1,358,973
Pupil Transportation	431,691	346,947
Capital Outlay	498,448	346,231
Interest on Long-Term Debt	30,700	63,237
Unallocated Depreciation	6,206	6,210
Total Expenses	\$ 24,019,737	\$ 23,159,448

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Governmental Activities (Continued)

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

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

The School District's Funds

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$53,196,874 for 2022 and \$22,813,551 for 2021 and expenditures were \$22,762,504 for 2022 and \$22,252,196 for 2021. The net change in fund balance for the year was an increase of \$30,434,370 for 2022 and \$561,355 for 2021. The positive change is most significant in the general fund for 2022 and for 2021.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2022, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase/ {Decrease} From 2021	Percent of Increase/ {Decrease}
Local Sources	\$ 17,754,753	74.25%	\$ 131,120	0.74%
State Sources	5,710,877	23.88%	1,061,280	22.83%
Federal Sources	448,115	1.87%	(92,206)	-17.07%
Total	\$ 23,913,745	100.00%	\$ 1,100,194	

Local revenues increased by \$131,120. The increase in local revenue was due to a tax increase needed to fund the additional expenditures associated with an increase in enrollment and higher operating costs.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

The School District's Funds (Continued)

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2022, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2021	Percent of Increase/ (Decrease)
Current Expense:				
Instruction	\$ 8,773,185	38.54%	\$ 286,923	3.38%
Undistributed	13,435,557	59.03%	756,478	5.97%
Capital Outlay	375,874	1.65%	(120,234)	-24.24%
Debt Service	177,888	0.78%	(412,859)	-69.89%
Total	<u>\$ 22,762,504</u>	<u>100.00%</u>	<u>\$ 510,308</u>	

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

General Fund Budgeting Highlights

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

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

- ♣ TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.

- ♣ Tuition for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into the District during the summer as well as the school year which necessitates transferring funds to the appropriate account to pay these special education costs.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Capital Assets

The School District had \$26,122,196 at June 30, 2022 and \$26,400,941 at June 30, 2021 invested in land, land improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment for governmental activities. For business-type activities, the School District had \$6,294 at June 30, 2022 and \$7,866 at June 30, 2021 invested in machinery and equipment. The table shows the balances of capital assets (net of depreciation) for fiscal years 2022 and 2021.

	2022				2021
	Beginning Balance	Additions	Retirements	Ending Balance	
Governmental Activities:					
<i>Capital Assets Not Being Depreciated:</i>					
Land and Land Improvements	\$ 18,812,600	\$ -	\$ -	\$ 18,812,600	\$ 18,812,600
Total Capital Assets Not Being Depreciated	<u>18,812,600</u>	<u>-</u>	<u>-</u>	<u>18,812,600</u>	<u>18,812,600</u>
<i>Capital Assets Being Depreciated:</i>					
Building and Building Improvements	13,891,077	-	-	13,891,077	13,891,077
Machinery and Equipment	1,018,155	8,297	-	1,026,452	1,018,155
Totals Capital Assets Being Depreciated	<u>14,909,232</u>	<u>8,297</u>	<u>-</u>	<u>14,917,529</u>	<u>14,909,232</u>
Less Accumulated Depreciation:					
Building and Building Improvements	6,623,812	226,311	-	6,850,123	6,623,812
Machinery and Equipment	697,079	60,731	-	757,810	697,079
Total Accumulated Depreciation	<u>7,320,891</u>	<u>287,042</u>	<u>-</u>	<u>7,607,933</u>	<u>7,320,891</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>7,588,341</u>	<u>(278,745)</u>	<u>-</u>	<u>7,309,596</u>	<u>7,588,341</u>
Government Activity Capital Assets, Net	<u>\$ 26,400,941</u>	<u>\$ (278,745)</u>	<u>\$ -</u>	<u>\$ 26,122,196</u>	<u>\$ 26,400,941</u>
Business-Type Activities:					
<i>Capital Assets Being Depreciated:</i>					
Machinery and Equipment	\$ 26,450	\$ -	\$ -	\$ 26,450	\$ 26,450
Less Accumulated Depreciation	18,584	1,572	-	20,156	18,584
Enterprise Fund Capital Assets, Net	<u>\$ 7,866</u>	<u>\$ (1,572)</u>	<u>\$ -</u>	<u>\$ 6,294</u>	<u>\$ 7,866</u>

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

Long-Term Liabilities

At year end, the School District's long-term liabilities consisted of bonds payable of \$30,160,000 and \$891,000, compensated absences payable of \$274,158 and \$168,885, and net pension liability of \$1,717,370 and \$2,256,068 for the fiscal years ended June 30, 2022 and 2021, respectively.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

For the Future

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

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

SECTION A - DISTRICT-WIDE FINANCIAL STATEMENTS

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

MONTVALE BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 10,825,561	\$ 122,045	\$ 10,947,606
Receivables, Net	535,423	652	536,075
Restricted Cash with Fiscal Agent	2,486,607		2,486,607
Capital Assets, Net			
Capital Assets, Being Depreciated	26,122,196	6,294	26,128,490
Total Assets	61,569,100	128,991	61,698,091
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	445,691		445,691
Total Deferred Outflows of Resources	445,691	-	445,691
LIABILITIES:			
Accounts Payable	452,892	2,556	455,448
Bond Interest Payable	10,870		10,870
Unearned Revenue	1,848	14,725	16,573
Long-Term Liabilities Other Than Pensions:			
Due Within One Year	1,314,000		1,314,000
Due Beyond One Year:			
Other Long-Term Liabilities	29,120,158		29,120,158
Aggregate Net Pension Liability	1,717,370		1,717,370
Total Liabilities	32,617,138	17,281	32,634,419
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	1,276,968		1,276,968
Total Deferred Outflows of Resources	1,276,968	-	1,276,968
NET POSITION (DEFICIT):			
Net Investment in Capital Assets	25,376,196	6,294	25,382,490
Restricted for:			
Capital Projects Fund	33,314,736		33,314,736
Unemployment Compensation	174,899		174,899
Debt Service Fund	1		1
Other Purposes	1,045,034		1,045,034
Student Activities	92,311		92,311
Unrestricted (Deficit)	(31,882,492)	105,416	(31,777,076)
Total Net Position (Deficit)	\$ 28,120,685	\$ 111,710	\$ 28,232,395

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

MONTVALE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes In Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
Instruction:							
Regular	\$ 6,720,279	\$ -	\$ -	\$ -	\$ (6,720,279)	\$ -	\$ (6,720,279)
Special Education	1,678,013		717,250		(960,763)		(960,763)
Other Special Education	520,270				(520,270)		(520,270)
Other Instruction	83,096				(83,096)		(83,096)
Support Services:							
Tuition	676,399				(676,399)		(676,399)
Student and Instruction Related Services	205,803	48,600 *			(157,203)		(157,203)
School Administrative Services	739,912				(739,912)		(739,912)
General and Business Administrative Services	11,774,712				(11,774,712)		(11,774,712)
Plant Operations and Maintenance	1,420,058				(1,420,058)		(1,420,058)
Pupil Transportation	674,503	50,550	192,262		(431,691)		(431,691)
Capital Outlay	498,448				(498,448)		(498,448)
Interest on Long-Term Debt	30,700				(30,700)		(30,700)
Unallocated Depreciation	6,206				(6,206)		(6,206)
Total Governmental Activities	25,028,399	99,150	909,512	-	(24,019,737)	-	(24,019,737)
BUSINESS-TYPE ACTIVITIES:							
Milk Program	7,592	4,360	4,122			890	890
Child Care Program	261,284	257,464				(3,820)	(3,820)
Total Business-Type Activities	279,864	272,749	4,122	-	-	(2,993)	(2,993)
TOTAL PRIMARY GOVERNMENT	\$ 25,308,263	\$ 371,899	\$ 913,634	\$ -	\$ (24,019,737)	\$ (2,993)	\$ (24,022,730)
GENERAL REVENUES:							
Property Taxes Levied For:							
General Purposes					\$ 17,323,515	\$ -	\$ 17,323,515
Debt Service					136,888		136,888
Federal and State Aid Not Restricted					7,670,274		7,670,274
Investment Earnings - Unrestricted					64,117		64,117
Investment Earnings - Restricted					361	**	361
Tuition Revenue					49,483		49,483
Miscellaneous Income					81,239		81,239
Total General Revenues					25,325,877	-	25,325,877
Change in Net Position					1,306,140	(2,993)	1,303,147
Net Position - July 1					26,814,545	114,703	26,929,248
Net Position - June 30					\$ 28,120,685	\$ 111,710	\$ 28,232,395

* student activity revenue is reported as "charges for services"

** includes the interest earnings on the unemployment compensation bank account and workers' compensation bank account

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

SECTION B - FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

MONTVALE BOARD OF EDUCATION
GOVERNMENT FUNDS
BALANCE SHEET
JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
ASSETS:					
Cash and Cash Equivalents	\$ 3,381,781 *	\$ - *	\$ 7,614,814	\$ 1	\$ 10,996,596
Investments			21,599,313		21,599,313
Receivables From Other Governments	216,523	284,637			501,160
Other Receivables	34,263				34,263
Restricted Cash and Cash Equivalents	2,486,607				2,486,607
Total Assets	\$ 6,119,174	\$ 284,637	\$ 29,214,127	\$ 1	\$ 35,617,939
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Cash Overdraft	\$ -	\$ 171,035 *	\$ -	\$ -	\$ 171,035
Accounts Payable	121,620	19,443			141,063
Payroll Deductions and Withholdings	15,908 **				15,908
Unearned Revenue		1,848			1,848
Other Current Liabilities	50,640				50,640
Unemployment Trust Fund Liability	75,506 ***				75,506
Total Noncurrent Liabilities	75,506	-	-	-	75,506
Total Liabilities	263,674	192,326	-	-	456,000
Fund Balances:					
Restricted For:					
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures	400,000				400,000
Reserved for Excess Surplus	400,000				400,000
Capital Reserve Account	4,100,609				4,100,609
Maintenance Reserve Account	124,846				124,846
Unemployment Compensation	174,899				174,899
Capital Projects Fund			29,214,127		29,214,127
Debt Service Fund				1	1
Student Activities		92,311			92,311
Assigned:					
Other Purposes	120,188				120,188
Designated for Subsequent Year's Expenditures	195,079				195,079
Unassigned:					
General Fund	339,879				339,879
Total Fund Balances	9,855,500	92,311	29,214,127	1	35,161,939
Total Liabilities and Fund Balances	\$ 6,119,174	\$ 284,637	\$ 29,214,127	\$ 1	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$33,730,129 and the accumulated depreciation is \$7,607,933.

26,122,196

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

(32,151,528)

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

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

(10,870)

Accrued pension contributions for the June 30, 2022 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.

(169,775)

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

Deferred outflows of resources related to pensions

445,691

Deferred inflows of resources related to pensions

(1,276,968)

Net Position (Deficit) of Governmental Activities

\$ 28,120,685

* Include former fiduciary fund cash and cash equivalents

** Include payroll deductions payable

*** Include unspent employee payroll unemployment contributions

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

MONTVALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 17,323,515	\$ -	\$ -	\$ 136,888	\$ 17,460,403
Tuition	49,483				49,483
Transportation Fees	50,550				50,550
Interest Earned on Investments	9,285		54,832		64,117
Other Restricted Miscellaneous Revenues	361 *				361
Unrestricted Miscellaneous Revenues	79,392				79,392
Other Local Sources		50,447 **			50,447
Total Local Sources	17,512,586	50,447	54,832	136,888	17,754,753
State Sources	5,688,862	22,015			5,710,877
Federal Sources		448,115			448,115
Total Revenues	23,201,448	520,577	54,832	136,888	23,913,745
EXPENDITURES:					
Current:					
Instruction:					
Regular	6,172,005	319,801			6,491,806
Special Education	1,678,013				1,678,013
Other Special Education	520,270				520,270
Other	83,096				83,096
Support Services and Undistributed Costs:					
Tuition	676,399				676,399
Student and Instruction Related Services	1,983,857	191,700 ***			2,175,557
School Administrative Services	734,739				734,739
General and Business Administrative Services	936,835				936,835
Plant Operations and Maintenance	1,408,412				1,408,412
Pupil Transportation	674,503				674,503
Unallocated Employee Benefits	6,829,112				6,829,112
Capital Outlay	36,690		339,184		375,874
Debt Service:					
Principal				145,000	145,000
Interest and other Charges				32,888	32,888
Total Expenditures	21,733,931	511,501	339,184	177,888	22,762,504
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,467,517</u>	<u>9,076</u>	<u>(284,352)</u>	<u>(41,000)</u>	<u>1,151,241</u>
OTHER FINANCING SOURCES (USES):					
Sale of Bonds:					
Bond Principal			29,414,000		29,414,000
Interfund Transfers:					
Transfers In				41,000	41,000
Transfers Out			(41,000)		(41,000)
Unrealized Gains (Losses) From Investments			(130,871)		(130,871)
Total Other Financing Sources (Uses)	-	-	29,242,129	41,000	29,283,129
NET CHANGE IN FUND BALANCES	1,467,517	9,076	28,957,777	-	30,434,370
FUND BALANCES, JULY 1	4,387,983	83,235	256,350	1	4,727,569
FUND BALANCES, JUNE 30	<u>\$ 5,855,500</u>	<u>\$ 92,311</u>	<u>\$ 29,214,127</u>	<u>\$ 1</u>	<u>\$ 35,161,939</u>

* Include interest earnings on the unemployment compensation bank account

** Special revenue fund now includes revenues from student activities

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

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

MONTVALE BOARD OF EDUCATION
 RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total net change in fund balances - governmental funds (B-2) \$ 30,434,370

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

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

Depreciation Expense	\$ (287,042)	
Capital Outlay	<u>8,297</u>	(278,745)

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

145,000

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

(105,273)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The increase in bonds/capital leases is a reduction to the reconciliation. The decrease in bonds/capital leases is an addition to the reconciliation.

(29,414,000)

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

2,188

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

522,600

Change in net position of governmental activities

\$ 1,306,140

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

PROPRIETARY FUNDS

MONTVALE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2022

	Business-Type Activities - Enterprise Fund			
	Milk Program	Montvale Summer Institute	Child Care	Totals
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 2,760	\$ 15,374	\$ 103,911	\$ 122,045
Receivables from Other Governments	242			242
Other Receivables			410	410
Total Current Assets	3,002	15,374	104,321	122,697
Noncurrent Assets:				
Furniture, Machinery and Equipment	26,450			26,450
Less: Accumulated Depreciation	(20,156)			(20,156)
Total Noncurrent Assets	6,294	-	-	6,294
Total Assets	\$ 9,296	\$ 15,374	\$ 104,321	\$ 128,991
LIABILITIES AND NET POSITION:				
Liabilities:				
Accounts Payable	\$ -	\$ 430	\$ 2,126	\$ 2,556
Unearned Revenue		14,725		14,725
Total Liabilities	-	15,155	2,126	17,281
Net Position:				
Net Investment in Capital Assets	6,294	-	-	6,294
Unrestricted	3,002	219	102,195	105,416
Total Net Position	9,296	219	102,195	111,710
Total Liabilities and Net Position	\$ 9,296	\$ 15,374	\$ 104,321	\$ 128,991

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

MONTVALE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Fund			
	Milk Program	Montvale Summer Institute	Child Care	Totals
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Program (Reimbursable Program) Meals	\$ 4,360	\$ -	\$ -	\$ 4,360
Program Fees		10,925	257,464	268,389
Total Operating Revenues	<u>4,360</u>	<u>10,925</u>	<u>257,464</u>	<u>272,749</u>
OPERATING EXPENSES:				
Cost of Sales - Program (Reimbursable Program) Meals	5,959			5,959
Salaries		8,000	198,036	206,036
Support Services - Employee Benefits		595	31,040	31,635
Purchased Property Services		1,000	15,000	16,000
General Supplies and Materials	61	1,393	17,208	18,662
Depreciation Expense	1,572			1,572
Total Operating Expenses	<u>7,592</u>	<u>10,988</u>	<u>261,284</u>	<u>279,864</u>
OPERATING LOSS	<u>(3,232)</u>	<u>(63)</u>	<u>(3,820)</u>	<u>(7,115)</u>
NONOPERATING REVENUES:				
Federal Sources:				
Special Milk Program	4,122			4,122
Total Nonoperating Revenues (Expenses)	<u>4,122</u>	<u>-</u>	<u>-</u>	<u>4,122</u>
CHANGE IN NET POSITION	890	(63)	(3,820)	(2,993)
TOTAL NET POSITION - JULY 1	<u>8,406</u>	<u>282</u>	<u>106,015</u>	<u>114,703</u>
TOTAL NET POSITION - JUNE 30	<u>\$ 9,296</u>	<u>\$ 219</u>	<u>\$ 102,195</u>	<u>\$ 111,710</u>

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

MONTVALE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Fund			
	Milk Program	Montvale Summer Institute	Child Care	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 4,118	\$ 10,925	\$ 257,533	\$ 272,576
Cash Payments to Suppliers and Employees	(6,020)	(7,283)	(261,010)	(274,313)
Net Cash Used In Operating Activities	(1,902)	3,642	(3,477)	(1,737)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash Received From State And Federal Reimbursements	4,122			4,122
Net Cash Provided By Noncapital Financing Activities	4,122	-	-	4,122
NET DECREASE/(INCREASE) IN CASH AND CASH EQUIVALENTS	2,220	3,642	(3,477)	2,385
CASH AND CASH EQUIVALENTS, JULY 1	540	11,732	107,388	119,660
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 2,760</u>	<u>\$ 15,374</u>	<u>\$ 103,911</u>	<u>\$ 122,045</u>
Reconciliation of Operating Income (Loss) to Net Cash Used In Operating Activities:				
Operating Loss	\$ (3,232)	\$ (63)	\$ (3,820)	\$ (7,115)
Depreciation	1,572			1,572
Change In Assets And Liabilities:				
Increase In Receivables From Other Governments	(242)			(242)
Decrease In Other Receivables			69	69
Increase In Accounts Payable		430	274	704
Increase In Unearned Revenue		3,275		3,275
Net Cash Used In Operating Activities	<u>\$ (1,902)</u>	<u>\$ 3,642</u>	<u>\$ (3,477)</u>	<u>\$ (1,737)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Reporting Entity

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

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

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

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include high school, middle school and elementary school. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

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

C. Basic Financial Statements – Government-Wide Statements

The government-wide Statement of Activities reports both the gross and net costs of each of the District's functions and business-type activities. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses

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

Basic Financial Statement – Government-Wide Statements (Continued)

(including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student and instruction related services, etc.) or business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

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

D. Basic Financial Statements – Fund Financial Statements

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

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

The District reports the following governmental funds:

Governmental Fund Type

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

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

Basic Financial Statements – Fund Financial Statements (Continued)

Governmental Fund Type (Continued)

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

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

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

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

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

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

Fund Balances – Governmental Funds

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

Governmental Fund Type (Continued)

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

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

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

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

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

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

Proprietary Fund Type

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

Proprietary Fund Type (Continued)

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

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

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

Food Service Fund:

Equipment	12 Years
Light Trucks and Vehicle	4 Years
Heavy Trucks and Vehicle	6 Years

Fiduciary Fund Types

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

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

E. Basis of Accounting

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

1. Accrual:

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

2. Modified Accrual:

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

3. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

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

Basic Financial Statements – Fund Financial Statements (Continued)

Basis of Accounting (Continued)

Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and recipients recognizes receivables and revenue when applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient. Program revenues, including tuition revenue, are reported as reductions to expenses in the Statement of Activities.

4. Expenditures:

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

F. Budgets/Budgetary Control

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

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

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

The special revenue fund had no encumbrances at June 30, 2022.

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

Budget/Budgetary Control (Continued)

G. Assets, Liabilities, and Equity

1. Deposits and Investments

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

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

2. Short-Term Interfund Receivables/Payables

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

3. Inventories

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

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

4. Capital Assets

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

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

Assets, Liabilities, and Equity (Continued)

Capital Assets (Continued)

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

Land and Construction in Progress are not depreciated.

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

5. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

6. Unearned Revenue

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

7. Long-Term Obligations

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

8. Fund Equity

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

9. Net Position

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

10. Use of Estimates

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

11. Allocation of Costs

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Impact of Recently Issued Accounting Principles

During fiscal year 2022, the School District has adopted the following GASB 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.

As a result of the adoption of GASB 87, leases are recognized as a right-of-use leased asset and a corresponding lease liability in other financial liabilities at the date at which the leased asset is available for use by the School. The cost of right-of-use leased assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use leased asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use leased assets are subject to impairment.

The lease liability is measured at the present value of lease payments to be made over the lease term, discounted using the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily available. Lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the School and payment of penalties for termination of a lease when the lease term reflects the lessee exercising a termination option. Each lease payment is allocated between the repayment of the principal portion of lease liability and the interest portion. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period and is recorded in financing expense. Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the consolidated statement of income.

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

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

Impact of Recently Issued Accounting Principles (Continued)

GASB No. 92, *Omnibus 2020*. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.

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

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.

Recently Issued Accounting Pronouncements

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact of Recently Issued Accounting Principles (Continued)

Recently Issued Accounting Pronouncements (Continued)

GASB Statement No. 99, *Omnibus 2022*, the section applicable to the School will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASE Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

**MONTVALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022**

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

A. Deposits and Investments

Deposits

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

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

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

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

As of June 30, 2022, cash and cash equivalents of the District consisted of the following:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Proprietary Fund</u>	<u>Total</u>
Operating Account	<u>\$ 5,868,388</u>	<u>\$ (171,035)</u>	<u>\$ 7,614,814</u>	<u>\$ 1</u>	<u>\$ 122,045</u>	<u>\$13,434,213</u>

The carrying amount of the Board’s cash and cash equivalents at June 30, 2022 was \$13,434,213 and the bank balance was \$35,536,774. All bank balances were covered by Federal Depository Insurance Corp. (FDIC) and/or covered by a collateral pool maintained by the banks as required by GUDPA.

At June 30, 2022, Montvale Board of Education’s participation in the State of New Jersey Cash Management Fund amounted to \$29,090,811.

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

Deposits and Investments (Continued)

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

Investments

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

- a. When authorized by resolution adopted by a majority vote of all its members, the Board of Education of any school district may use moneys which may be in hand for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the school district;
 - (1) Bonds or other obligations of the United States or obligations guaranteed by the United States;
 - (2) Government money market mutual funds;
 - (3) Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
 - (4) Bonds or other obligations of the school district or bonds or other obligations of local unit or units within which the school district located;
 - (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by school district;
 - (6) Local government investment pools;
 - (7) Deposits with the Statement of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) or

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Deposits and Investments (Continued)

Investments (Continued)

- (8) Agreements for the repurchase of fully collateralized securities, if:
- (a) The underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection is;
 - (b) The custody of collateral is transferred to a third party;
 - (c) The maturity of the agreement is not more than 30 days;
 - (d) The underlying securities are purchased through a public depository as defined in section I of P.L. 1970, c.236 (C.17:9-41) and for which a master repurchase agreement providing the custody and security of collateral is executed.

Montvale Board of Education had \$21,599,313 in investments at June 30, 2022.

NOTE 3: INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2022, there were no interfund receivables and payables resulting from various interfund transactions.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land and Land Improvements	\$ 18,812,600	\$ -	\$ -	\$ 18,812,600
Total Capital Assets Not Being Depreciated	<u>18,812,600</u>	<u>-</u>	<u>-</u>	<u>18,812,600</u>
<i>Capital Assets Being Depreciated:</i>				
Building and Building Improvements	13,891,077	-	-	13,891,077
Machinery and Equipment	1,018,155	8,297	-	1,026,452
Totals at Historical Cost	<u>14,909,232</u>	<u>8,297</u>	<u>-</u>	<u>14,917,529</u>
Less Accumulated Depreciation For:				
Building and Building Improvements	6,623,812	226,311	-	6,850,123
Machinery and Equipment	697,079	60,731	-	757,810
Total Accumulated Depreciation	<u>7,320,891</u>	<u>287,042</u>	<u>-</u>	<u>7,607,933</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>7,588,341</u>	<u>(278,745)</u>	<u>-</u>	<u>7,309,596</u>
Government Activity Capital Assets, Net	<u>\$ 26,400,941</u>	<u>\$ (278,745)</u>	<u>\$ -</u>	<u>\$ 26,122,196</u>
Business-Type Activities:				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	\$ 26,450	\$ -	\$ -	\$ 26,450
Less Accumulated Depreciation	(18,584)	(1,572)	-	(20,156)
Enterprise Fund Capital Assets, Net	<u>\$ 7,866</u>	<u>\$ (1,572)</u>	<u>\$ -</u>	<u>\$ 6,294</u>

Depreciation expense was charged to functions as follows:

Instruction Services	\$ 228,473
Student and Instruction Related Services	14,103
General and Business Administrative Services	21,441
School Administrative Services	5,173
Plant Operations and Maintenance	11,646
Unallocated	6,206
Total	<u>\$ 287,042</u>

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: LONG-TERM OBLIGATIONS

A. Operating Leases

The District has commitments to lease copiers under operating leases which expire in 2025. Total operating lease payments made during the year ended June 30, 2022 were \$13,990. Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	\$ 16,788
2024	16,788
2025	16,788
2026	2,798
<hr/>	
Total minimum lease payments	53,162
Less: Amount representing interest	<hr/> -
Present value of net minimum lease payments	<u><u>\$ 53,162</u></u>

B. Long-Term Liabilities

Long-Term liability activity for the year ended June 30, 2022 was as follows:

	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>July 1, 2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2022</u>	<u>Due Within</u>
					<u>One Year</u>
Bonds Payable	\$ 891,000	\$ 29,414,000	\$ 145,000	\$ 30,160,000	\$ 1,314,000
Compensated Absences Payable	168,885	110,273	5,000	274,158	-
Net Pension Liability	2,256,068	-	538,698	1,717,370	-
	<hr/>				
Total	<u>\$ 3,315,953</u>	<u>\$ 29,524,273</u>	<u>\$ 688,698</u>	<u>\$ 32,151,528</u>	<u>\$ 1,314,000</u>

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: LONG-TERM OBLIGATIONS (CONTINUED)

1. Bonds Payable

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

Serial Bonds outstanding as of June 30, 2022 consisted of the following:

<u>Descriptions</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
School Bonds of 2006	Various	11/15	2026	\$ 2,371,000	\$ 746,000
School Bonds of 2022	Various	8/15	2043	<u>29,414,000</u>	<u>29,414,000</u>
				<u>\$ 31,785,000</u>	<u>\$ 30,160,000</u>

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

School Bonds of 2006:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 150,000	\$ 26,988	\$ 176,988
2024	150,000	20,988	170,988
2025	150,000	14,988	164,988
2026	150,000	8,950	158,950
2027	146,000	2,957	148,957
	<u>\$ 746,000</u>	<u>\$ 74,871</u>	<u>\$ 820,871</u>

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: LONG-TERM OBLIGATIONS (CONTINUED)

Bonds Payable (Continued)

School Bonds of 2022:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 728,035	\$ 728,035
2024	1,164,000	704,460	1,868,460
2025	1,010,000	682,720	1,692,720
2026	1,040,000	662,220	1,702,220
2027	1,075,000	641,070	1,716,070
Thereafter	25,125,000	6,129,810	31,254,810
	<u>\$ 29,414,000</u>	<u>\$ 9,548,315</u>	<u>\$ 38,962,315</u>

2. Temporary Notes

There are no Temporary Notes outstanding as of June 30, 2022.

3. Bonds Authorized But Not Issued

There were authorized but not issued bonds in the amount of \$640 as of June 30, 2022.

4. Capital Leases Payable

There were no Capital Leases as of June 30, 2022.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6: FUND EQUITY

A. Reserved-Restricted Fund Balance

In accordance with N.J.C.A.6A:23A-14.3 the District has reserved fund balances in the amount of \$124,846 as of June 30, 2022. These are funds anticipated to be required for future required maintenance.

B. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount budgeted fund balance in their subsequent years budget. The excess fund balance at June 30, 2022 is \$800,000. The reserved fund balance of \$400,000 has been appropriated in the fiscal year 2021-2022 and \$400,000 will be appropriated in the fiscal year 2022-2023.

C. Capital Reserve Account

During fiscal year 1996-1997, the Board passed a resolution for the establishment of a capital reserve account. The 1997-1998 certified budget included a \$200,000 Board approved transfer from excess unreserved fund balance for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget annual budget.

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6: FUND EQUITY (CONTINUED)

Capital Reserve Account (Continued)

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

1997-1998	Budget (described above)	\$ 200,000
1997-2014	Investment Income	69,571
	Budget (Unreserved Fund Balance)	475,000
	Unexpected Capital Project	36,793
	Budgeted Withdrawal	(630,537)
2014-2015	Investment Income	226
	Budget (Unreserved Fund Balance)	150,000
2015-2016	Investment Income	1,113
	Budget (Unreserved Fund Balance)	600,000
2016-2017	Investment Income	3,884
	Budget (Unreserved Fund Balance)	426,868
	Budgeted Withdrawal	(300,000)
2017-2018	Investment Income	500
	Budget (Unreserved Fund Balance)	458,733
	Transfer from Capital Projects Fund	1,089
2018-2019	Investment Income	19,399
	Budget (Unreserved Fund Balance)	368,187
	Budget Expenditure	(217,647)
2019-2020	Investment Income	22,886
	Budget (Unreserved Fund Balance)	644,870
	Budget Withdrawal	(264,000)
2020-2021	Investment Income	922
	Budget (Unreserved Fund Balance)	993,954
	Budget Withdrawal	(350,000)
2021-2022	Investment Income	2,712
	Budget (Unreserved Fund Balance)	1,386,087
	Budget Withdrawal	-
		<hr/>
	Balance June 30, 2021	<u>4,100,609</u>

The June 30, 2022 LRF balance of local support costs of uncompleted capital projects at Montvale Board of Education is \$26,610,641.

NOTE 7: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to:

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Vesting and Benefit Provisions

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

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

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Vesting and Benefit Provisions (Continued)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. School District contributions to PERS amounted to \$169,775 for fiscal year 2022.

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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

At June 30, 2022, the School District reported a liability of \$1,717,370 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2020 which was rolled forward to June 30, 2021. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. For the June 30, 2021 measurement date, the School District's proportion was 0.0144968532%, which was an increase of 0.0006622117% from its proportion measured as of June 30, 2020 of 0.0138346415%.

For the fiscal year ended June 30, 2022, the School District recognized pension expense of (\$352,826), in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2021 measurement date.

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 27,085	\$ 12,294
Changes in Assumptions	8,944	611,395
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	452,400
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	239,887	200,879
School District Contributions Subsequent to the Measurement Date	<u>169,775</u>	<u>-</u>
	<u>\$ 445,691</u>	<u>\$ 1,276,968</u>

\$169,775, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2023.

**MONTVALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022**

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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

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

Fiscal Year Ending June 30,	Total
<hr/>	<hr/>
2022	\$ (405,224)
2023	(289,329)
2024	(197,273)
2025	(148,291)
2026	57
	<hr/>
	<u>\$ (1,040,060)</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2016	5.57 years	-
June 30, 2017	5.48 years	-
June 30, 2018	-	5.63 years
June 30, 2019	-	5.21 years
June 30, 2020	5.16 years	-
June 30, 2021	5.13 years	-
Changes in Assumptions		
Year of Pension Plan Deferral:		
June 30, 2016	5.57 years	-
June 30, 2017	-	5.48 years
June 30, 2018	-	5.63 years
June 30, 2019	-	5.21 years
June 30, 2020	-	5.16 years
June 30, 2021	5.13 years	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.00 years
June 30, 2018	-	5.00 years
June 30, 2019	-	5.00 years
June 30, 2020	-	5.00 years
June 30, 2021	-	5.00 years

**MONTVALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022**

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 01, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 2.16% as of June 30, 2021, based on the Bond Buyer Go 20-Bond Municipal Bond Index. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

**MONTVALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022**

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

The following presents the School District's proportionate share of the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the School District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Measurement Date June 30, 2021		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 2,363,640	\$ 1,735,677	\$ 1,202,761

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS, please refer to the plan's Annual Comprehensive Financial Report (ACFR) which can be found at www.nj.gov/treasury/pensions.

NOTE 7: PENSION PLANS (CONTINUED)

B. Teacher’s Pension Annuity Fund (TPAF)

Plan Description

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for TPAF:

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

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7: PENSION PLANS (CONTINUED)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State’s pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal year 2021, the State’s pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the School District. However, the notes to the financial statements of the School District must disclose the portion of the School District’s total proportionate share of the net pension liability that is associated with the School District. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$290,445 to the TPAF for normal pension benefits on behalf of the School District, which is less than the contractually required contribution of \$2,205,915.

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

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

At June 30, 2022, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

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

School District's Proportionate Share of the Net Pension Liability	\$ -
State of New Jersey 's Proportionate Share of the Net Pension Liability Associated with the School District	<u>36,188,127</u>
Total	<u>\$ 36,188,127</u>

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7: PENSION PLANS (CONTINUED)

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

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

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. For the June 30, 2021 measurement date, the School District’s proportion of the net pension liability was based on a projection of the School District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2021, School District’s proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2021 measurement date, the State’s proportionate share of the TPAF net pension liability associated with the School District was 0.0752740196%, which was an increase of 0.0021383828% an increase from its proportion measured as of June 30, 2020 of 0.0740505551%.

For the fiscal year ended June 30, 2022, the School District recognized \$851,523 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2021 measurement date.

The State reported the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2021:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 5,289,559,561	\$ 24,224,281,713
Difference Between Expected and Actual Experience	941,265,828	142,774,569
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	2,854,036,178
	<u>\$ 6,230,825,389</u>	<u>\$ 27,221,092,460</u>

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7: PENSION PLANS (CONTINUED)

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	-----	-----
Difference Between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	8.50 years
June 30, 2015	8.30 years	-
June 30, 2016	-	8.30 years
June 30, 2017	8.30 years	-
June 30, 2018	8.29 years	-
June 30, 2019	-	8.04 years
June 30, 2020	-	7.99 years
June 30, 2021	7.93 years	-
Changes in Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	8.50 years	-
June 30, 2015	8.30 years	-
June 30, 2016	8.30 years	-
June 30, 2017	-	8.30 years
June 30, 2018	-	8.29 years
June 30, 2019	-	8.04 years
June 30, 2020	7.99 years	-
June 30, 2021	-	7.93 years
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.00 years
June 30, 2018	-	5.00 years
June 30, 2019	-	5.00 years
June 30, 2020	-	5.00 years
June 30, 2021	-	5.00 years

MONTVALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 7: PENSION PLANS (CONTINUED)

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

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

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

Fiscal Year Ending June 30,	Total
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	<u>(3,367,824,517)</u>
	<u>\$ (20,990,267,071)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55% - 4.45%
	based on years of service
Thereafter	2.75% - 5.65%
	based on years of service
Investment Rate of Return	7.00%

NOTE 7: PENSION PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the July 01, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00%at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**MONTVALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022**

NOTE 7: PENSION PLANS (CONTINUED)

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

Long-Term Expected Rate of Return (Continued)

Best estimates of arithmetic rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 2.16% as of June 30, 2021, 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 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**MONTVALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022**

NOTE 7: PENSION PLANS (CONTINUED)

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

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

As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2021, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

Measurement Date June 30, 2021			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of the Net Pension Liability Associated with the School District	42,200,236	35,667,184	30,179,830
	<u>\$ 42,200,236</u>	<u>\$ 35,667,184</u>	<u>\$ 30,179,830</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and additions to/deductions from TPAF's fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about TPAF, please refer to the plan's Annual Comprehensive Financial Report (ACFR) which can be found at www.nj.gov/treasury/pensions.

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

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

Plan Description

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

Vesting and Benefit Provisions

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

Contributions

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

NOTE 7: PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP) (Continued)

Contributions (Continued)

For DCRP, the School District recognized \$14,941 pension expense for the fiscal year ended June 30, 2022. There were \$27,392 employee contributions to DCRP for the fiscal year ended June 30, 2022.

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Annual Comprehensive Financial Report effective for the fiscal year ended June 30, 2021. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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

**MONTVALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS

Plan Description and Benefits Provided (Continued)

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

Active Plan Members	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
	<hr/>
Total Plan Members	<u><u>364,328</u></u>

Measurement Focus and Basis of Accounting

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

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS

Investment Valuation

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2021 is \$60,007,650,970, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuation as of June 30, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the June 30, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a "pay-as-you-go" basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as "the employers") for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS

Post-Retirement Medical Benefits Contributions (Continued)

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a "pay-as-you-go" basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

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

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$67,809,962,608 for this special funding situation.

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS

Post-Retirement Medical Benefits Contributions (Continued)

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a non-employer contributing entity, to the State Health Benefits Program Fund-Local Education Retired for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2022, 2021, and 2020 were \$735,718, \$698,771 and \$613,353, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a non-employer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 01, 2020 through June 30, 2021. Non-employer allocation percentages have been rounded for presentation purposes.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS

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

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

At June 30, 2021, the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Actual and Expected Experience	\$ 9,045,886,863	\$ 18,009,362,976
Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumptions Changes	<u>10,179,536,966</u>	<u>6,438,261,807</u>
Sub Total	19,225,423,829	24,447,624,783
Contributions Made in Fiscal Year Ending 2021 After June 30, 2020 Measurement Date	TBD	Not Available
Total	<u>\$ 19,225,423,829</u>	<u>\$ 24,447,624,783</u>

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS

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

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

<u>Measurement Period Ending June 30,</u>	<u>Total</u>
2022	\$ (1,182,303,041)
2023	(1,182,303,041)
2024	(1,182,303,041)
2025	(1,182,303,041)
2026	(840,601,200)
Total Thereafter	<u>347,612,410</u>
	<u>\$ (5,222,200,954)</u>

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,420,794. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2022, the State’s proportionate share of the OPEB liability attributable to the District is \$39,134,392. 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, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state’s share of the OPEB liability attributable to the District was 0.0652156706%, which was a decrease of 0.0004194209% from its proportionate share measured as of June 30, 2020 of 0.0656350915%.

Actuarial Assumptions

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS

Actuarial Assumptions (Continued)

Inflation Rate	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases:			
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years	3.25 - 15.25% based on service years
Thereafter	2.75 - 5.65% based on service years	3.00 - 7.00% based on service years	Not Applicable

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the period July 1, 2015 to June 30, 2018, July 1, 2014 to June 30, 2018, and July 1, 2013 to June 30, 2018 for TPAF, PERS, and PFRS, respectively.

100% of active members are considered to participate in the plan upon retirement.

Health Care Trend Assumption – For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01 % in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2022	June 30, 2021	2.16%
2021	June 30, 2020	2.21%

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

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

	<u>District's Total OPEB Liability (State Share 100%)</u>	<u>State of New Jersey's Total OPEB Liability</u>
Balance at June 30, 2020 Measurement Date	<u>\$ 44,507,131</u>	<u>\$ 67,809,962,608</u>
Changes Recognized for the Fiscal Year:		
Service Cost	2,116,108	3,217,184,264
Interest on Total OPEB Liability	1,015,187	1,556,661,679
Changes of Benefit Terms	(41,654)	(63,870,842)
Differences between Expected and Actual Experiences	(7,727,259)	(11,385,071,658)
Effect of Changes of Assumptions	38,609	59,202,105
Contributions - Employees	25,953	39,796,196
Gross Benefits Paid by the State	<u>(799,683)</u>	<u>(1,226,213,382)</u>
Net Changes	<u>(5,372,739)</u>	<u>(7,802,311,638)</u>
Balance at June 30, 2021 Measurement Date	<u><u>\$ 39,134,392</u></u>	<u><u>\$ 60,007,650,970</u></u>

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS

Changes in the Total OPEB Liability (Continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

Changes in the Total OPEB Liability (Continued)

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2021 was not provided by the pension system.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.16%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

	Measurement Date June 30, 2021		
	At 1% Decrease (1.16%)	At Current Discount Rate (2.16%)	At 1% Increase (3.16%)
	<hr/>	<hr/>	<hr/>
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 46,876,858	\$ 39,134,392	\$ 33,037,665

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

	Measurement Date June 30, 2021		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	<hr/>	<hr/>	<hr/>
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 31,679,417	\$ 39,134,392	\$ 49,145,872

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS

Sensitivity of OPEB Liability (Continued)

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

NOTE 9: DEFERRED COMPENSATION PLAN

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

AXA Equitable
Lincoln Investment Planning
Security Benefits
Met Life

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

The maximum amount of deferred compensation for any participant for any taxable year shall not exceed the lesser of \$19,500 or 100 percent of the participant's includible compensation for the taxable year except as provide by the limited catch-up provision which may affect a participant's last three taxable years ending before a participant affairs normal retirement age as defined by plan.

NOTE 10: RISK MANAGEMENT

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10: RISK MANAGEMENT (CONTINUED)

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

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

The District is also a member of the School Alliance Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of school districts established for the purpose of providing certain low-cost Property Damage, Employer's Liability, Automobile and Equipment Liability, Environmental Liability, School Board Legal Liability and Boiler and Machinery Insurance coverage for member school districts in order to keep local property taxes at a minimum. The District pays an annual assessments maybe levied. Additionally, the Fund maintains a contract of excess insurance with a commercial reinsurer to secure the payment of benefits.

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

NOTE 11: COMPENSATED ABSENCES

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

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

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11: COMPENSATED ABSENCES (CONTINUED)

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, no liability existed for compensated absences in the Special Milk Program, Montvale Summer Institute or Child Care Program Funds.

NOTE 12: SUBSEQUENT EVENTS

Subsequent events were evaluated through March 1, 2023, the date the financial statements were available to be issued.

NOTE 13: IMPACT OF COVID-19

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2023.

Although the School District cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material effect on the School District’s results of future operations, financial position, and liquidity in fiscal year 2023.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULE

MONTVALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

C-1
Sheet 1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 17,323,515	\$ -	\$ 17,323,515	\$ 17,323,515	\$ -
Tuition - Other LEA's	13,750		13,750	49,483	35,733
Transportation Fees from Other LEA's	39,000		39,000	50,550	11,550
Rentals	75,000		75,000	36,275	(38,725)
Earnings on Investments	1,000		1,000	6,524	5,524
Interest on Investments - Maintenance Reserve	1		1	50	49
Interest on Investments - Capital Reserve	500		500	2,711	2,211
Unrestricted Miscellaneous Revenues	3,500		3,500	43,117	39,617
Other Restricted Miscellaneous Revenues				361	361
Total Local Sources	17,456,266	-	17,456,266	17,512,586	56,320
State Sources:					
Transportation Aid	192,645		192,645	192,645	-
Special Education Categorical Aid	734,577		734,577	734,577	-
Extraordinary Aid	125,000		125,000	205,933	80,933
Security Aid	18,499		18,499	18,499	-
Other Unrestricted State Aid				6,960	6,960
On-Behalf TPAF Pension Aid				3,148,935	3,148,935
Reimbursed TPAF Social Security Aid				662,232	662,232
On-Behalf TPAF Post-Retirement Medical Aid				735,718	735,718
On-Behalf TPAF Long-Term Disability Insurance Aid				1,109	1,109
Total State Sources	1,070,721	-	1,070,721	5,706,608	4,635,887
TOTAL REVENUES	18,526,987	-	18,526,987	23,219,194	4,692,207
EXPENDITURES:					
Current Expenses:					
Instruction:					
Regular Programs:					
Salaries of Teachers:					
Preschool	40,304	500	40,804	40,026	778
Kindergarten	544,256	6,000	550,256	501,797	48,459
Grades 1-5	3,162,575	48,000	3,210,575	3,192,876	17,699
Grades 6-8	2,075,884	5,095	2,080,979	2,027,178	53,801
Total Regular Programs - Instruction	5,823,019	59,595	5,882,614	5,761,877	120,737
Regular Programs - Home Instruction:					
Salaries of Teachers	1,000		1,000	595	405
Purchased Prof/Ed Services	5,000		5,000	1,155	3,845
Total Regular Programs - Home Instruction	6,000	-	6,000	1,750	4,250
Regular Programs - Undistributed Instruction:					
Other Salaries for Instructions	131,261		131,261	127,285	3,976
Purchased Prof/Ed Services	63,200	(15,000)	48,200	38,746	9,454
Purchased Technical Services	5,000		5,000	1,305	3,695
Other Purchased Services	32,000	(9,100)	22,900	16,788	6,112
General Supplies	290,254	38,012	328,266	222,687	105,579
Textbooks	9,000	(850)	8,150	1,567	6,583
Total Regular Programs - Undistributed Instruction	530,715	13,062	543,777	408,378	135,399
Total Regular Programs	6,359,734	72,657	6,432,391	6,172,005	260,386
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	199,354	(1,941)	197,413	119,134	78,279
Other Salaries for Instruction	114,820		114,820	101,368	13,452
Purchased Prof/Ed Services	4,000	(2,000)	2,000		2,000
General Supplies	3,300	2,000	5,300	4,254	1,046
Total Learning and/or Language Disabilities	321,474	(1,941)	319,533	224,756	94,777
Resource Room/Resouce Center:					
Salaries of Teachers	1,171,650	(10,000)	1,161,650	1,139,273	22,377
General Supplies	10,150	(500)	9,650	8,948	702
Total Resource Room/Resouce Center	1,181,800	(10,500)	1,171,300	1,148,221	23,079

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

MONTVALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

C-1
Sheet 2

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 70,242		\$ 70,242	\$ 68,767	\$ 1,475
Other Salaries for Instruction	45,539		45,539	44,583	956
Purchased Prof/Ed Services	4,000	(3,100)	900	100	800
General Supplies	2,000	2,600	4,600	4,265	335
Total Preschool Disabilities - Part-Time	121,781	(500)	121,281	117,715	3,566
Preschool Disabilities - Full-Time:					
Salaries of Teachers	97,434		97,434	95,008	2,426
Other Salaries for Instruction	110,620		110,620	74,373	36,247
Purchased Prof/Ed Services	2,500		2,500	100	2,400
General Supplies	2,000	3,000	5,000	4,040	960
Total Preschool Disabilities - Full-Time	212,554	3,000	215,554	173,521	42,033
Home Instruction:					
Salaries of Teachers	8,000		8,000		8,000
Purchased Prof/Ed Services	1,000	30,000	31,000	13,800	17,200
Total Home Instruction	9,000	30,000	39,000	13,800	25,200
Basic Skills/Remedial:					
Salaries of Teachers	450,666	(6,500)	444,166	444,120	46
General Supplies	1,000	100	1,100	796	304
Total Basic Skills/Remedial	451,666	(6,400)	445,266	444,916	350
Bilingual Education:					
Salaries of Teachers	73,744	2,000	75,744	75,354	390
General Supplies	800	(100)	700		700
Total Bilingual Education	74,544	1,900	76,444	75,354	1,090
Total Special Education	2,372,819	15,559	2,388,378	2,198,283	190,095
Other Instructional Programs:					
School-Sponsored Co-Curricular and Extra-Curricular Activities:					
Salaries	55,800		55,800	43,737	12,063
Purchased Services	750		750	627	123
Supplies and Materials	4,000		4,000	1,172	2,828
Total School-Sponsored Co-Curricular and Extra-Curricular Activities	60,550	-	60,550	45,536	15,014
School-Sponsored Athletics:					
Salaries	38,000		38,000	30,622	7,378
Purchased Services	4,500		4,500	4,000	500
Supplies and Materials	4,000		4,000	2,938	1,062
Total School-Sponsored Athletics	46,500	-	46,500	37,560	8,940
Total Other Instructional Programs	107,050	-	107,050	83,096	23,954
Total Instruction	8,839,603	88,216	8,927,819	8,453,384	474,435
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special Education	572,910	(6,000)	566,910	455,177	111,733
Tuition to County Special Services					
Districts and Regional Day School Within the State	220,720	500	221,220	221,222	(2)
Tuition to Private Schools for the Disabled Within the State	184,076	(92,500)	91,576		91,576
Tuition - Other	5,000		5,000		5,000
Total Instruction	982,706	(98,000)	884,706	676,399	208,307
Attendance and Social Work Services:					
Salaries	12,520		12,520	12,162	358
Purchased Prof/Tech Services	16,000	(500)	15,500	15,319	181
Supplies and Materials	100		100		100
Total Attendance and Social Work Services	28,620	(500)	28,120	27,481	639
Health Services:					
Salaries	172,908	10,000	182,908	172,586	10,322
Purchased Prof/Tech Services	132,500	(9,000)	123,500	77,180	46,320
Other Purchased Services	400		400		400
Supplies and Materials	4,000	500	4,500	3,690	810
Total Health Services	309,808	1,500	311,308	253,456	57,852

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

MONTVALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Other Support Services Students - OT, PT, and Related Services:					
Salaries	\$ 238,851	\$ -	\$ 238,851	\$ 198,941	\$ 39,910
Purchased Prof/Ed Services	158,300	350	158,650	124,797	33,853
Supplies and Materials	4,100	1,900	6,000	5,759	241
Total Other Support Services Students - OT, PT, and Related Services	401,251	2,250	403,501	329,497	74,004
Other Support Services Students - Extraordinary Services:					
Salaries	268,274	(35,000)	233,274	200,143	33,131
Unused Vacation Payment to Terminated/Retired Staff					
Purchased Prof/Ed Services	216,000	(50,250)	165,750	108,919	56,831
Supplies and Materials	1,000	2,171	3,171	2,698	473
Total Other Support Services Students - Extraordinary Services	485,274	(83,079)	402,195	311,760	90,435
Other Support Services Students - Regular Services (Guidance):					
Salaries of Other Professional Staff	166,326		166,326	165,988	338
Purchased Prof/Ed Services	6,000	1,700	7,700	7,418	282
Supplies and Materials	4,300		4,300	993	3,307
Total Other Support Services Students - Regular Services (Guidance)	176,626	1,700	178,326	174,399	3,927
Other Support Services Students - Special Services (Child Study Teams):					
Salaries of Other Professional Staff	357,600		357,600	342,299	15,301
Salaries of Secretarial and Clerical Assistants	58,916	1,000	59,916	58,497	1,419
Purchased Prof/Ed Services	77,075	21,400	98,475	92,997	5,478
Other Purchased Prof/Tech Services	30,000	7,100	37,100	35,310	1,790
Other Purchased Services	7,500		7,500	4,343	3,157
Supplies and Materials	6,600	3,300	9,900	9,786	114
Total Other Support Services Students - Special Services (Child Study Teams)	537,691	32,800	570,491	543,232	27,259
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	175,976		175,976	174,787	1,189
Salaries of Other Professional Staff	13,000		13,000	1,120	11,880
Salaries of Secretarial and Clerical Assistants	28,168	500	28,668	28,418	250
Purchased Prof/Ed Services	22,000		22,000	21,945	55
Other Purchased Services	2,500		2,500	1,313	1,187
Supplies and Materials	250	1,300	1,550	1,502	48
Total Improvement of Instruction Services	241,894	1,800	243,694	229,085	14,609
Educational Media/Library:					
Salaries	79,880	5,000	84,880	80,108	4,772
Purchased Prof/Tech Services	9,100	10	9,110	8,381	729
Supplies and Materials	13,600	1,990	15,590	14,510	1,080
Total Educational Media/Library	102,580	7,000	109,580	102,999	6,581
Instructional Staff Training Services:					
Salaries of Other Professional Staff	3,150		3,150	280	2,870
Purchased Prof/Ed Services	10,000	(1,300)	8,700	2,000	6,700
Other Purchased Services	21,000	(700)	20,300	7,701	12,599
Supplies and Materials	2,200	700	2,900	1,967	933
Total Instructional Staff Training Services	36,350	(1,300)	35,050	11,948	23,102
Support Services General Administration:					
Salaries	307,006	120	307,126	307,125	1
Legal Fees	33,000	2,700	35,700	34,850	850
Audit Fees	25,000	26,000	51,000	24,716	26,284
Other Purchased Professional Fees	40,000	(8,700)	31,300	20,101	11,199
Purchased Technical Services	21,500	3,000	24,500	20,743	3,757
Communications/Telephone	28,600	(3,500)	25,100	22,114	2,986
BOE Other Purchased Services	12,000		12,000	3,857	8,143
Other Purchased Services	7,000	(250)	6,750	3,182	3,568
General Supplies	2,000	500	2,500	2,060	440
BOE In-House Training/Meeting Supplies	500		500		500
Judgments Against the School District		5,000	5,000		5,000
Miscellaneous Expenditures	1,300	362	1,662	1,151	511
BOE Membership Dues and Fees	8,000	(100)	7,900	7,429	471
Total Support Services General Administration	485,906	25,132	511,038	447,328	63,710

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

MONTVALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

C-1
Sheet 4

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	\$ 449,876	\$ 4,000	\$ 453,876	\$ 452,872	\$ 1,004
Salaries of Other Professional Staff	72,311		72,311	71,411	900
Salaries of Secretarial and Clerical Assistants	184,995	7,676	192,671	192,671	-
Purchased Prof/Tech Services	3,020		3,020	3,015	5
Other Purchased Services	10,000		10,000	5,687	4,313
Supplies and Materials	8,000	29,900	37,900	7,435	30,465
Other Objects	2,200	1,100	3,300	1,648	1,652
Total Support Services School Administration	730,402	42,676	773,078	734,739	38,339
Central Services:					
Salaries	365,631		365,631	357,414	8,217
Purchased Professional Services	10,254	46,000	56,254	53,874	2,380
Miscellaneous Purchased Services	5,000		5,000	2,085	2,915
Supplies and Materials	5,000		5,000	4,849	151
Total Central Services	385,885	46,000	431,885	418,222	13,663
Administrative Information Technology Services:					
Salaries	60,040		60,040	58,529	1,511
Purchased Technical Services	15,000		15,000	12,756	2,244
Total Administrative Information Technology Services	75,040	-	75,040	71,285	3,755
Required Maintenance for School Facilities:					
Salaries	88,398		88,398	87,321	1,077
Cleaning, Repair and Maintenance Services	86,000	15,545	101,545	81,848	19,697
General Supplies	14,000	2,885	16,885	15,372	1,513
Other Objects	2,000	(1,200)	800	325	475
Total Required Maintenance for School Facilities	190,398	17,230	207,628	184,866	22,762
Custodial Services:					
Salaries	194,943	(36,450)	158,493	143,417	15,076
Cleaning, Repair and Maintenance Services	550,836	26,100	576,936	575,752	1,184
Other Purchased Property Services	16,500	2,300	18,800	17,091	1,709
Insurance	109,550	(1,100)	108,450	108,429	21
Miscellaneous Purchased Services	1,500		1,500	125	1,375
General Supplies	45,000	26,080	71,080	58,307	12,773
Energy (Heat and Electricity)	140,500	(19,500)	121,000	118,099	2,901
Energy (Natural Gas)	89,500	47,000	136,500	127,885	8,615
Other Objects	1,000		1,000	588	412
Total Custodial Services	1,149,329	44,430	1,193,759	1,149,693	44,066
Care and Upkeep Grounds:					
Cleaning, Repair and Maintenance Services	57,500	(14,130)	43,370	41,410	1,960
General Supplies	3,000		3,000	1,556	1,444
Total Care and Upkeep Grounds	60,500	(14,130)	46,370	42,966	3,404
Security:					
Cleaning, Repair and Maintenance Services	30,000	2,100	32,100	30,887	1,213
General Supplies	2,000		2,000		2,000
Total Security	32,000	2,100	34,100	30,887	3,213
Student Transportation Services:					
Salaries for Pupil Transportation (B/T Home & School) - Regular	9,991		9,991	9,377	614
Contracted Services - Aid In Lieu of Payment for Non-public School Students	25,000		25,000	22,800	2,200
Contracted Services - Transportation (B/T Home & School) - Vendors	403,000	65,000	468,000	466,741	1,259
Contracted Services - Transport (Other Than B/T Home & School) - Vendors	30,000		30,000	1,582	28,418
Contracted Services (Special Ed Students) - Joint Agreements	245,000		245,000	174,003	70,997
Total Student Transportation Services	712,991	65,000	777,991	674,503	103,488
Unallocated Employee Benefits:					
Group Insurance	3,000		3,000	2,968	32
Social Security Contribution	165,000	5,600	170,600	170,523	77
Other Retirement Contributions - PERS/DCRP	195,000	(2,600)	192,400	183,168	9,232
Unemployment Compensation	10,000		10,000		10,000
Workmen's Compensation	74,500		74,500	45,951	28,549
Health Benefits	2,553,088	(188,100)	2,364,988	1,799,594	565,394
Unused Sick Payments to Terminated Employees	22,000	34,000	56,000	55,660	340
Tuition Reimbursement	25,500		25,500	23,029	2,471
Other Employee Benefits	2,000		2,000	225	1,775
Total Unallocated Employee Benefits	3,050,088	(151,100)	2,898,988	2,281,118	617,870

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

MONTVALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

C-1
Sheet 5

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Contributions:					
On-Behalf TPAF Pension Contributions (Non-Budgeted)	\$ -			\$ 3,148,935	\$ (3,148,935)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				662,232	(662,232)
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)				735,718	(735,718)
On-Behalf TPAF Long-Term Disability Insurance Contributions (Non-Budgeted)				1,109	(1,109)
Total Contributions	-	-	-	4,547,994	(4,547,994)
Total Undistributed Expenditures	10,175,339	(58,491)	10,116,848	13,243,857	(3,127,009)
Total Expenditures - Current Expense	19,014,942	29,725	19,044,667	21,697,241	(2,652,574)
Capital Outlay:					
Equipments:					
Instructional Expenditures:					
Regular Programs - Grades 1-5		3,797	3,797	3,797	-
Regular Programs - Grades 6-8		4,500	4,500	4,500	-
Total Instructional Expenditures	-	8,297	8,297	8,297	-
Facilities Acquisition and Construction Services:					
Other Purchased Prof/Tech Services	20,000		20,000		20,000
Construction Services	280,000		280,000		280,000
Other Objects	28,393		28,393	28,393	-
Total Facilities Acquisition and Construction Services	328,393	-	328,393	28,393	300,000
Total Capital Outlay	328,393	8,297	336,690	36,690	300,000
Total Expenditures - General Fund	19,343,335	38,022	19,381,357	21,733,931	(2,352,574)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(816,348)	(38,022)	(854,370)	1,485,263	2,339,633
FUND BALANCES, JULY 1	4,461,970	-	4,461,970	4,461,970	-
FUND BALANCES, JUNE 30	\$ 3,645,622	\$ (38,022)	\$ 3,607,600	\$ 5,947,233	\$ 2,339,633
RECAPITULATION:					
Restricted For:					
Excess Surplus				\$ 400,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				400,000	
Capital Reserve Account				4,100,609	
Maintenance				124,846	
Unemployment Compensation				174,899	
Assigned Fund Balance:					
Year-End Encumbrances				120,188	
Designated For Subsequent Year's Expenditures				195,079	
Unassigned Fund Balance				431,612	
				5,947,233	
Reconciliation to Governmental Funds Statement (GAAP):					
Less: State Aid Payment Not Recognized on GAAP Basis				(91,733)	
Fund Balance Per Governmental Funds (GAAP)				\$ 5,855,500	

* Include interest earnings on the unemployment compensation bank account

MONTVALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Local	\$ 3,695	\$ -	\$ 3,695	\$ 50,447	\$ 46,752 *
Federal	834,402	8,831	843,233	448,115	(395,118)
Total Revenues	860,112	8,831	868,943	520,577	(348,366)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	101,388	(37,770)	63,618	56,047	7,571
Purchased Prof/Tech Services					
Other Purchased Services	164,795	65,285	230,080	225,491	4,589
General Supplies	3,103	109,910	113,013	38,263	74,750
Total Instruction	269,286	137,425	406,711	319,801	86,910
Support Services:					
Personal Services - Employee Benefits		21,252	21,252	20,885	367
Purchased Prof/Ed Services	27,770	1,113	28,883	28,680	203
Purchased Professional/Tech Services		73,465	73,465	70,507	2,958
Travel		1,250	1,250		1,250
Other Purchased Services		187,382	187,382	22,015	165,367
Supplies and Materials		15,000	15,000	10,089	4,911
Student Activities				39,524	(39,524) *
Total Support Services	27,770	299,462	327,232	191,700	135,532
Total Expenditures	297,056	571,887	868,943	511,501	357,442
Excess (Deficiency) of Revenues Over (Under) Expenditures	563,056	(563,056)	-	9,076	9,076
Fund Balances, July 1	-	-	-	4,937	4,937
Prior Period Adjustment	-	-	-	78,298	78,298
Fund Balances, July 1 (Restated)	-	-	-	83,235	83,235
Fund Balances, June 30	\$ 563,056	\$ (563,056)	\$ -	\$ 92,311	\$ 92,311
Recapitulation:					
Restricted:					
Student Activities				\$ 92,311	
Total Fund Balance				\$ 92,311	

* Not required to budget for these funds

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II

MONTVALE BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 NOTE TO RSI
 FISCAL YEAR ENDED JUNE 30, 2022

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 23,219,194	[C-2] \$ 520,577
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	73,987	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(91,733)	-
Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ 23,201,448	[B-2] \$ 520,577
Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 21,733,931	[C-2] \$ 511,501
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.		-
Transfers to and from other fund are presented as outflows of budgetary resources but are not expenditures for financial accounting purposes.		
Net Transfers (Outflows) to/from general fund.	-	-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 21,733,931	[B-2] \$ 511,501

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

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

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

	Fiscal Year Ending June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.0144968532%	0.0138346415%	0.0133497763%	0.0147522273%	0.0138829819%	0.0173456188%	0.0175276754%	0.0176664905%	0.0191804801%
School District's proportionate share of the net pension liability	\$ 1,717,370	\$ 2,256,068	\$ 2,405,427	\$ 2,904,640	\$ 3,231,736	\$ 5,137,275	\$ 3,934,612	\$ 3,307,650	\$ 3,665,771
School District's covered payroll (plan measurement period)	\$ 1,060,038	\$ 1,023,770	\$ 1,038,595	\$ 976,498	\$ 974,430	\$ 1,022,676	\$ 990,246	\$ 1,199,900	\$ 1,244,653
School District's proportionate share of the net pension liability as a percentage of it's covered employee payroll	162.01%	220.37%	231.60%	297.45%	331.65%	502.34%	397.34%	275.66%	294.52%
Plan fiduciary net position as a percentage of the total pension liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.06%	46.72%

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

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

	Fiscal Year Ending June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 169,775	\$ 151,344	\$ 130,361	\$ 147,447	\$ 130,504	\$ 155,021	\$ 150,691	\$ 145,640	\$ 144,521
Contributions in relation to the contractually required contribution	<u>(169,775)</u>	<u>(151,344)</u>	<u>(130,361)</u>	<u>(147,447)</u>	<u>(130,504)</u>	<u>(155,021)</u>	<u>(150,691)</u>	<u>(145,640)</u>	<u>(144,521)</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll (fiscal year)	\$ 1,060,038	\$ 1,023,770	\$ 1,038,595	\$ 976,498	\$ 974,430	\$ 1,022,676	\$ 990,246	\$ 1,199,900	\$ 1,244,653
Contributions as a percentage of covered employee payroll	16.02%	14.78%	12.55%	15.10%	13.39%	15.16%	15.22%	12.14%	11.61%

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

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

	Fiscal Year Ending June 30.								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability attributable of the School District	0.0752740196%	0.0740505551%	0.0719121723%	0.0678346699%	0.0717746416%	0.0692681898%	0.0717339520%	0.0737889285%	0.0717339520%
State's proportionate share of the net pension liability attributable to the School District	\$ 36,188,127	\$ 48,761,400	\$ 44,133,179	\$ 43,154,960	\$ 48,393,051	\$ 54,490,768	\$ 45,339,921	\$ 39,437,761	\$ 45,338,921
School District's covered payroll (plan measurement period)	\$ 9,204,857	\$ 8,828,219	\$ 8,572,396	\$ 8,153,601	\$ 7,936,105	\$ 7,620,556	\$ 7,172,150	\$ 7,479,112	\$ 7,172,150
School District's proportionate share of the net pension liability as a percentage of it's covered employee payroll	393.14%	552.34%	514.83%	529.27%	609.78%	715.05%	632.17%	527.31%	632.15%
Plan fiduciary net position as a percentage of the total pension liability	35.52%	24.60%	26.95%	26.49%	25.41%	28.71%	33.64%	33.76%	28.71%

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

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

	Fiscal Year Ending June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 2,205,915	\$ 1,678,006	\$ 1,445,897	\$ 1,025,424	\$ 805,966	\$ 551,651	\$ 385,518	\$ 313,447	\$ 454,488
Contributions in relation to the contractually required contribution	<u>(290,445)</u>	<u>(204,229)</u>	<u>(116,245)</u>	<u>(135,099)</u>	<u>(97,245)</u>	<u>(81,163)</u>	<u>(62,450)</u>	<u>(221,465)</u>	<u>(233,223)</u>
Contribution deficiency/(excess)	<u>\$ 1,915,470</u>	<u>\$ 1,473,777</u>	<u>\$ 1,329,652</u>	<u>\$ 890,325</u>	<u>\$ 708,721</u>	<u>\$ 470,488</u>	<u>\$ 323,068</u>	<u>\$ 91,982</u>	<u>\$ 221,265</u>
School District's covered payroll (fiscal year)	\$ 9,204,857	\$ 8,828,219	\$ 8,572,396	\$ 8,153,601	\$ 7,936,105	\$ 7,620,556	\$ 7,172,150	\$ 7,479,112	\$ 7,172,150
Contributions as a percentage of covered employee payroll	23.96%	19.01%	16.87%	12.58%	10.16%	7.24%	5.38%	4.19%	6.34%

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

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

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

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

	Fiscal Year Ending June 30,					
	2022	2021	2020	2019	2018	2017
OPEB Liability at Beginning of Measurement Period	\$ 44,507,131	\$ 27,355,382	\$ 29,997,423	\$ 34,033,578	\$ 36,786,422	\$ -
Changes Recognized for the Fiscal Year:						
Service Cost	2,116,108	1,154,495	1,033,203	1,182,305	1,425,799	Not Available
Interest on Total OPEB Liability	1,015,187	984,810	1,185,268	1,246,989	1,078,305	Not Available
Effect on Changes of Benefit Terms	(41,654)	-	-	-	-	Not Available
Differences Between Expected and Actual Experience	(7,727,259)	7,633,869	(4,453,546)	(2,248,698)	-	Not Available
Effect on Changes of Assumptions	38,609	8,129,923	407,871	(3,442,354)	(4,497,685)	Not Available
Contributions from the Employees	25,953	23,485	24,892	27,723	29,027	Not Available
Gross Benefit Paid by the State	(799,683)	(774,833)	(839,729)	(802,120)	(788,290)	Not Available
Net Changes	<u>(5,372,739)</u>	<u>17,151,749</u>	<u>(2,642,041)</u>	<u>(4,036,155)</u>	<u>(2,752,844)</u>	<u>-</u>
OPEB Liability at the End of Measurement Period	<u>\$ 39,134,392</u>	<u>\$ 44,507,131</u>	<u>\$ 27,355,382</u>	<u>\$ 29,997,423</u>	<u>\$ 34,033,578</u>	<u>\$ 36,786,422</u>
School District's Covered Payroll	\$ 7,727,259	\$ 9,851,989	\$ 9,610,991	\$ 9,130,099	\$ 8,910,535	\$ 8,643,232
Total School District's OPEB Liability as a Percentage of Covered Employee Payroll	506.45%	451.76%	284.63%	328.56%	381.95%	425.61%

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

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III

MONTVALE BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR FISCAL YEAR ENDED JUNE 30, 2021

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

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 7.00% as of June 30, 2020 to 7.00% as of June 30, 2021.

NET OPEB LIABILITY (SCHEDULE M-1)

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

MONTVALE BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHERS PENSION AND ANNUITY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2021

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

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

NET OPEB LIABILITY (SCHEDULE M-1)

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

OTHER SUPPLEMENTARY INFORMATION

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

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

MONTVALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

E-1
SHEET 1

	BCUA Grant	Orange and Rockland Grant	ESSA Title I	ESSA Title III Immigrant	I.D.E.A. Part B	I.D.E.A. Preschool	ARP I.D.E.A. Part B	ARP I.D.E.A. Preschool
REVENUE SOURCES:								
Local	\$ 980	\$ 867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State								
Federal			58,704	3,912	199,662	7,088	39,833	3,402
Total Revenues	980	867	58,704	3,912	199,662	7,088	39,833	3,402
EXPENDITURES:								
Instruction:								
Salaries of Teachers			36,602		2,617			
Other Salaries for Instruction								
Other Purchased Services					185,658		39,833	
General Supplies	980	867	2,659	3,912				
Total Instruction	980	867	39,261	3,912	188,275	-	39,833	-
Support Services:								
Personal Services - Employee Benefits			19,443		195			
Purchased Prof/Ed Services								
Purchased Professional Services					11,192			3,402
Other Purchased Prof/Tech Services						7,088		
Supplies and Materials								
Student Activities								
Total Support Services	-	-	19,443	-	11,387	7,088	-	3,402
Total Expenditures	980	867	58,704	3,912	199,662	7,088	39,833	3,402
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MONTVALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

E-1
SHEET 2

	ESSA Title II	CRRSA ACT ESSER II	CRRSA ACT Learning Accl Grant	CRRSA ACT Mental Health Grant	SDA Emergent Needs & Capital Maint.	Student Activities Fund	Grand Total
REVENUE SOURCES:							
Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,600	\$ 50,447
State					22,015		22,015
Federal	28,680	39,814	22,020	45,000			448,115
Total Revenues	28,680	39,814	22,020	45,000	22,015	48,600	520,577
EXPENDITURES:							
Instruction:							
Salaries of Teachers							39,219
Other Salaries for Instruction			16,828				16,828
Other Purchased Services							225,491
General Supplies		29,725	120				38,263
Total Instruction	-	29,725	16,948	-	-	-	319,801
Support Services:							
Personal Services - Employee Benefits			1,247				20,885
Purchased Prof/Ed Services	28,680						28,680
Purchased Professional Services							14,594
Other Purchased Prof/Tech Services			3,825	45,000			55,913
Supplies and Materials		10,089			22,015		32,104
Student Activities						39,524	39,524
Total Support Services	28,680	10,089	5,072	45,000	22,015	39,524	191,700
Total Expenditures	28,680	39,814	22,020	45,000	22,015	39,524	511,501
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	9,076	9,076
Fund Balance, July 1	-	-	-	-	-	83,235	83,235
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,311	\$ 92,311

SECTION F – CAPITAL PROJECTS FUND

MONTVALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

**MONTVALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Revenues and Other Financing Sources:	
State Sources	\$ -
Bond Proceeds and Transfers	29,414,000
Contribution from Private Source	54,832
Transfer from Capital Reserve	-
Transfer from Capital Outlay	-
	<hr/>
Total Revenues	29,468,832
	<hr/>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	337,684
Land and Improvements	-
Construction Services	-
Equipment Purchases	-
Supplies and Miscellaneous Expenditures	132,371
Transfer to Fund 40	41,000
	<hr/>
Total Expenditures	511,055
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	28,957,777
Fund Balance - Beginning	256,350
	<hr/>
Fund Balance - Ending	\$ 29,214,127
	<hr/> <hr/>

**MONTVALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
IMPROVEMENTS TO FIELDSTONE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Additional Project Information:

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

**MONTVALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
IMPROVEMENTS TO MEMORIAL ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Additional Project Information:

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

**MONTVALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FIELDSTONE MIDDLE SCHOOL SIDEWALKS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Additional Project Information:

Project Number	3330-020-10-G0LG
Grant Date	3/14/2011
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bond Issued	N/A
Original Authorized Cost	\$56,604
Additional Authorized Cost	(\$1,089)
Revised Authorized Cost	\$55,515
Percentage Increase Over Original Authorized Cost	-1.92%
Percentage Completion	66.70%
Original Target Completion Date	12/31/2010
Revised Target Completion Date	12/31/2010

**MONTVALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FIELDSTONE MIDDLE SCHOOL ROOF
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Additional Project Information:

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

MONTVALE BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGETARY BASIS
 FIELDSTONE MIDDLE SCHOOL RENOVATIONS
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Additional Project Information:

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

**SECTION G – PROPRIETARY FUND
DETAIL STATEMENTS**

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

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

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

SECTION I – LONG-TERM DEBT SCHEDULES

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

**MONTVALE BOARD OF EDUCATION
LONG TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2021	Issued	Retired	Balance June 30, 2022
			Date	Amount					
Additions and Renovations to Schools	2/9/2022	\$ 29,414,000	8/15/2023	\$ 1,164,000	2.000%	\$ -	\$ 29,414,000	\$ -	\$ 29,414,000
			8/15/2024	1,010,000	2.000%				
			8/15/2025	1,040,000	2.000%				
			8/15/2026	1,075,000	2.000%				
			8/15/2027	1,240,000	2.000%				
			8/15/2028	1,270,000	2.000%				
			8/15/2029	1,295,000	2.000%				
			8/15/2030	1,320,000	2.000%				
			8/15/2031	1,350,000	2.250%				
			8/15/2032	1,375,000	2.250%				
			8/15/2033	1,405,000	2.250%				
			8/15/2034	1,440,000	2.375%				
			8/15/2035	1,470,000	2.375%				
			8/15/2036	1,505,000	2.450%				
			8/15/2037	1,535,000	2.500%				
			8/15/2038	1,570,000	2.550%				
			8/15/2039	1,600,000	3.000%				
			8/15/2040	1,635,000	3.000%				
			8/15/2041	1,670,000	3.000%				
8/15/2042	1,705,000	3.000%							
8/15/2043	1,740,000	3.000%							
Additions and Renovations to School	11/15/2006	2,371,000	11/15/2022-2024	150,000	4.000%	891,000	-	145,000	746,000
			11/15/2025	150,000	4.050%				
			11/15/2026	146,000	4.050%				
Total						\$ 891,000	\$ 29,414,000	\$ 145,000	\$ 30,160,000

**MONTVALE BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 136,888	\$ -	\$ 136,888	\$ 136,888	\$ -
Total Revenues	136,888	-	136,888	136,888	-
EXPENDITURES:					
Debt Service - Regular:					
Interest	32,888		32,888	32,888	-
Redemption of Principal	145,000		145,000	145,000	-
Total Expenditures	177,888	-	177,888	177,888	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,000)	-	(41,000)	(41,000)	-
OTHER FINANCING SOURCES (USES):					
Operating Transfers In:					
Unexpended Balance Transferred from Capital Projects Fund	41,000		41,000	41,000	-
Total Other Financing Sources (Uses)	41,000	-	41,000	41,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balance, July 1	1	-	1	1	-
Fund Balance, June 30	\$ 1	\$ -	\$ 1	\$ 1	\$ -
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	\$ 1	\$ -	\$ 1	\$ 1	\$ -

STATISTICAL SECTION (UNAUDITED)

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

FINANCIAL TRENDS

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

	Fiscal Year Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities										
Net Investment in Capital Assets	\$ 25,376,196	\$ 25,640,302	\$ 8,178,385	\$ 7,648,149	\$ 7,134,290	\$ 8,759,037	\$ 7,971,026	\$ 7,178,847	\$ 6,300,814	\$ 5,723,288
Restricted	34,626,981	4,125,695	3,371,838	2,941,885	2,688,599	2,387,052	2,384,792	2,136,972	2,082,767	1,240,206
Unrestricted	(31,882,492)	(2,951,452)	(3,077,166)	(3,342,208)	(3,587,412)	(3,658,777)	(3,457,997)	(3,379,359)	305,917	284,068
Total Governmental Activities Net Assets/Position	\$ 28,120,685	\$ 26,814,545	\$ 8,473,057	\$ 7,247,826	\$ 6,235,477	\$ 7,489,312	\$ 6,897,821	\$ 5,936,460	\$ 8,689,498	\$ 7,247,562
Business-Type Activities										
Net Investment in Capital Assets	\$ 6,294	\$ 7,866	\$ 14,684	\$ 10,007	\$ 3,826	\$ 4,304	\$ 5,334	\$ 6,365	\$ 1,658	\$ 2,314
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	105,416	106,837	221,716	246,548	211,414	192,721	155,878	157,527	146,641	84,729
Total Business-Type Activities Net Assets/Position	\$ 111,710	\$ 114,703	\$ 236,400	\$ 256,555	\$ 215,240	\$ 197,025	\$ 161,212	\$ 163,892	\$ 148,299	\$ 87,043
District-wide										
Net Investment in Capital Assets	\$ 25,382,490	\$ 25,648,168	\$ 8,193,069	\$ 7,658,156	\$ 7,138,116	\$ 8,763,341	\$ 7,976,360	\$ 7,185,212	\$ 6,302,472	\$ 5,725,602
Restricted	34,626,981	4,125,695	3,371,838	2,941,885	2,688,599	2,387,052	2,384,792	2,136,972	2,082,767	1,240,206
Unrestricted	(31,777,076)	(2,844,615)	(2,855,450)	(3,095,660)	(3,375,998)	(3,464,056)	(3,302,119)	(3,221,832)	452,558	368,797
Total District-wide Net Assets/Position	\$ 28,232,395	\$ 26,929,248	\$ 8,709,457	\$ 7,504,381	\$ 6,450,717	\$ 7,686,337	\$ 7,059,033	\$ 6,100,352	\$ 8,837,797	\$ 7,334,605

Source: District records

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

	Fiscal Year Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 6,720,279	\$ 6,804,540	\$ 9,698,002	\$ 10,982,606	\$ 10,604,325	\$ 8,446,916	\$ 8,165,031	\$ 7,854,093	\$ 7,795,632	\$ 7,804,035
Special Education	1,678,013	1,652,514	2,761,024	2,377,268	2,197,391	1,374,560	1,340,348	1,368,521	1,313,863	1,283,259
Other Special Education	520,270	257,620	-	-	-	-	-	-	-	-
Other Instruction	83,096	23,021	995,947	1,086,365	942,082	736,760	705,541	749,964	697,993	695,310
Support Services:										
Tuition	676,399	894,418	887,915	875,784	641,829	615,711	591,177	635,545	647,843	566,994
Student and Instruction Related Services	205,803	2,127,052	3,042,321	3,355,670	3,289,853	2,474,224	2,207,522	2,309,958	2,308,636	2,381,080
School Administrative Services	739,912	716,025	1,197,268	1,272,784	1,223,985	902,377	947,117	988,005	934,230	976,945
General and Business Administration Services	11,774,712	9,160,116	1,343,012	1,448,188	1,421,097	1,050,741	967,914	968,212	979,626	920,060
Plant Operations and Maintenance	1,420,058	1,358,973	1,419,358	1,483,396	1,506,275	1,488,495	1,383,353	1,346,860	1,303,117	1,279,130
Pupil Transportation	674,503	558,349	473,310	554,188	512,279	468,470	446,781	414,043	460,190	460,017
Capital Outlay	498,448	346,231	-	-	-	-	-	-	-	-
SDA Debt Service Assessment	-	-	28,393	28,393	28,393	28,393	28,393	28,393	28,393	28,393
Interest on Long-Term Debt	30,700	63,237	79,208	103,119	126,342	148,878	170,651	191,612	211,525	230,709
Unallocated Depreciation	6,206	6,210	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	25,028,399	23,968,306	21,925,758	23,567,761	22,493,851	17,735,525	16,953,828	16,855,206	16,681,048	16,625,932
Business-Type Activities:										
Milk Program	7,592	1,576	6,284	11,533	9,662	15,601	18,374	16,532	20,787	20,114
Extended School Year Program	10,988	-	21,863	16,625	17,865	20,808	21,149	23,853	21,085	33,961
Child Care	261,284	-	310,224	395,537	376,617	376,409	385,765	385,950	320,844	307,334
Safetytown	-	-	-	3,920	3,120	2,800	2,665	2,340	1,820	-
Total Business-Type Activities Expenses	279,864	1,576	338,371	423,695	408,064	415,938	428,088	429,000	365,056	363,229
Total District Expenses	\$ 25,308,263	\$ 23,969,882	\$ 22,264,129	\$ 23,991,456	\$ 22,901,915	\$ 18,151,463	\$ 17,381,916	\$ 17,284,206	\$ 17,046,104	\$ 16,989,161
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 99,150	\$ 52,353	\$ 134,144	\$ 146,371	\$ 173,837	\$ 187,052	\$ 206,705	\$ 229,701	\$ 253,369	\$ 270,903
Operating Grants and Contributions	909,512	756,505	5,916,416	7,639,873	7,418,383	2,234,038	2,149,352	2,021,639	2,242,307	2,387,734
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	1,008,662	808,858	6,050,560	7,786,244	7,592,220	2,421,090	2,356,057	2,251,340	2,495,676	2,658,637
Business-Type Activities:										
Charges for Services	272,749	-	314,652	459,440	419,527	444,108	416,843	432,654	415,877	425,525
Operating Grants and Contributions	4,122	-	3,564	5,571	6,752	7,642	8,565	11,911	10,379	10,867
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Revenues	276,871	-	318,216	465,011	426,279	451,750	425,408	444,565	426,256	436,392
Total District Program Revenues	\$ 1,285,533	\$ 808,858	\$ 6,368,776	\$ 8,251,255	\$ 8,018,499	\$ 2,872,840	\$ 2,781,465	\$ 2,695,905	\$ 2,921,932	\$ 3,095,029
Net (Expense)/Revenue										
Governmental Activities	\$ (24,019,737)	\$ (23,159,448)	\$ (15,875,198)	\$ (15,781,517)	\$ (14,901,631)	\$ (15,314,435)	\$ (14,597,771)	\$ (14,603,866)	\$ (14,185,372)	\$ (13,967,295)
Business-Type Activities	(2,993)	(1,576)	(20,155)	41,316	18,215	35,812	(2,680)	15,565	61,200	73,163
Total District-wide Net Expense	\$ (24,022,730)	\$ (23,161,024)	\$ (15,895,353)	\$ (15,740,201)	\$ (14,883,416)	\$ (15,278,623)	\$ (14,600,451)	\$ (14,588,301)	\$ (14,124,172)	\$ (13,894,132)

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

	Fiscal Year Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For:										
General Purposes	\$ 17,323,515	\$ 16,983,838	\$ 16,378,134	\$ 16,037,355	\$ 15,495,446	\$ 15,191,614	\$ 14,893,610	\$ 14,600,284	\$ 14,314,134	\$ 13,731,199
Debt Service	136,888	549,747	498,049	482,965	467,880	452,794	432,683	417,197	402,170	387,376
Federal and State Aid Not Restricted	7,670,274	6,733,885	13,601	19,948	(355,057)	47,974	37,096	37,681	16,355	16,633
Tuition Revenue	49,483	14,125	44,372	68,822	51,493	57,723	61,593	57,281	65,935	36,054
Investment Earnings	54,478	3,373	56,878	76,237	39,694	17,818	9,836	3,128	2,974	2,171
Miscellaneous Income	81,239	20,097	96,438	108,538	115,927	138,004	124,315	101,438	825,740	65,300
NJ Economic Development Authority Grants					(18,487)			155,070		
Donated Capital Assets					(2,149,099)					
Total Governmental Activities	25,325,877	24,305,065	17,087,472	16,793,865	13,647,797	15,905,927	15,559,133	15,372,079	15,627,308	14,238,733
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	28	56	65
Total Business-Type Activities	-	-	-	-	-	-	-	28	56	65
Total District-wide	\$ 25,325,877	\$ 24,305,065	\$ 17,087,472	\$ 16,793,865	\$ 13,647,797	\$ 15,905,927	\$ 15,559,133	\$ 15,372,107	\$ 15,627,364	\$ 14,238,798
Change in Net Position										
Governmental Activities	\$ 1,306,140	\$ 1,145,617	\$ 1,212,274	\$ 1,012,348	\$ (1,253,834)	\$ 591,492	\$ 961,362	\$ 768,213	\$ 1,441,936	\$ 271,438
Business-Type Activities	(2,993)	(1,576)	(20,155)	41,316	18,215	35,812	(2,680)	15,593	61,256	73,228
Total District	\$ 1,303,147	\$ 1,144,041	\$ 1,192,119	\$ 1,053,664	\$ (1,235,619)	\$ 627,304	\$ 958,682	\$ 783,806	\$ 1,503,192	\$ 344,666

Source: District records

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

	Fiscal Year Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Restricted	\$ 5,320,542	\$ 3,799,167	\$ 2,966,935	\$ 2,513,179	\$ 2,293,241	\$ 1,852,195	\$ 1,730,357	\$ 1,133,823	\$ 852,874	\$ 699,755
Assigned	195,079	116,848	259,887	257,697	17,043	239,250	327,217	188,303	275,566	275,881
Unassigned	339,879	471,968	389,305	375,313	443,974	316,048	302,459	336,196	376,762	334,635
Total General Fund	\$ 5,855,500	\$ 4,387,983	\$ 3,616,127	\$ 3,146,189	\$ 2,754,258	\$ 2,407,493	\$ 2,360,033	\$ 1,658,322	\$ 1,505,202	\$ 1,310,271
All Other Governmental Funds										
Restricted	\$ 29,562,790	\$ 339,586	\$ 297,351	\$ 327,353	\$ 357,354	\$ 397,846	\$ 427,846	\$ 456,879	\$ 1,190,980	\$ 515,584
Assigned					34,547	43,630	43,630	504,908		
Reserved										
Total All Other Governmental Funds	\$ 29,562,790	\$ 339,586	\$ 297,351	\$ 327,353	\$ 391,901	\$ 441,476	\$ 471,476	\$ 961,787	\$ 1,190,980	\$ 515,584

Source: District records

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

Fiscal Year Ending June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Local Sources:										
Local Tax Levy	\$ 17,460,403	\$ 17,533,585	\$ 16,955,391	\$ 16,623,439	\$ 16,089,668	\$ 15,793,286	\$ 15,496,944	\$ 15,209,093	\$ 14,927,829	\$ 14,349,284
Tuition (LEA's, Individuals, and Other)	49,483	14,125	44,372	68,822	51,493	57,723	61,593	57,281	65,935	36,054
Transportation Fees - Other LEAs	50,550	18,735	54,936	43,252	47,495	38,174	36,054	38,089	41,844	40,194
Interest in Investments	64,117	3,373	56,878	76,237	39,694	17,818	9,836	3,128	2,974	2,171
Miscellaneous	129,839	53,715	96,438	108,538	161,927	158,976	124,954	101,438	825,740	65,300
State Sources	5,710,877	4,649,597	3,836,164	3,556,521	2,978,737	1,899,459	1,855,049	1,851,153	2,049,721	2,162,395
Federal Sources	448,115	540,321	388,064	334,007	346,104	361,581	330,759	208,166	208,941	241,972
Total Revenues	23,913,384	22,813,451	21,432,243	20,810,816	19,715,118	18,327,017	17,915,189	17,468,348	18,122,984	16,897,370
Expenditures:										
Instruction:										
Regular	6,491,806	6,553,107	5,772,689	5,823,083	5,721,066	5,788,666	5,731,156	5,514,370	5,348,312	5,343,583
Special Education	1,678,013	1,652,514	1,707,639	1,305,695	1,245,156	971,921	973,669	988,696	927,105	914,286
Other Instruction	83,096	23,021	587,203	569,883	502,058	513,367	504,587	535,081	484,947	487,712
Support Services:										
Tuition	676,399	894,418	887,915	875,784	641,829	615,711	591,177	635,545	647,843	566,994
Student and Instructional Related Services	2,175,557	2,120,239	2,023,568	2,014,107	2,008,573	1,912,710	1,736,723	1,787,221	1,782,336	1,839,029
School Administrative Services	734,739	715,345	710,878	668,558	654,314	631,656	685,127	681,071	651,185	683,432
General and Business Administration Services	936,835	808,704	843,056	800,543	821,370	757,449	714,891	710,056	714,533	674,138
Plant Operations and Maintenance	1,408,412	1,348,305	1,239,667	1,269,430	1,290,973	1,345,393	1,235,907	1,126,691	1,058,054	1,039,699
Pupil Transportation	674,503	558,349	467,100	546,204	505,249	464,443	444,582	411,570	457,933	457,825
Employee Benefits	6,829,112	6,233,719	5,805,482	5,652,547	5,028,727	3,914,290	3,683,365	3,812,348	3,981,660	4,001,750
Capital Outlay	375,874	496,108	352,810	341,514	355,905	762,279	769,271	857,932	554,465	396,902
Debt Service:										
Interest and Other Charges	32,888	57,747	82,259	106,084	129,222	151,672	173,334	194,209	213,984	233,084
Principal	145,000	533,000	525,000	510,000	495,000	480,000	460,000	445,000	430,000	415,000
Total Expenditures	22,762,504	22,252,196	21,005,266	20,483,432	19,399,442	18,309,557	17,703,789	17,699,790	17,252,357	17,053,434
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,150,880	561,255	426,977	327,384	315,676	17,460	211,400	(231,442)	870,627	(156,064)
Other Financing Sources (Uses):										
Proceeds from borrowing										
NJ Economic Development Authority Grants					(18,487)			155,070		
Transfers In	41,000	41,000	36,801	35,878	49,314	37,489	33,124	356,630	758,560	30,400
Transfers Out	(41,000)	41,000	(36,801)	(35,878)	(49,314)	(37,489)	(33,124)	(356,630)	(758,560)	(30,400)
Total Other Financing Sources (Uses)	29,414,000	82,000	-	-	(18,487)	-	-	155,070	-	-
Net Change in Fund Balance	\$ 30,564,880	\$ 643,255	\$ 426,977	\$ 327,384	\$ 297,189	\$ 17,460	\$ 211,400	\$ (76,372)	\$ 870,627	\$ (156,064)
Debt service as a percentage of noncapital expenditures	0.79%	2.72%	2.94%	3.06%	3.28%	3.60%	3.74%	3.80%	3.86%	3.89%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

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

Fiscal Year Ending June 30,	Tuition	Miscellaneous Revenue	Interest on Investments	Transportation Fees - Other LEA's	Annual Total
2022	\$ 49,483	\$ 43,478	\$ 9,646	\$ 50,550	\$ 189,432
2021	14,125	3,202	3,473	18,735	39,535
2020	44,372	91,709	56,878	54,935	247,894
2019	68,822	107,548	76,237	43,252	295,858
2018	51,493	120,154	39,694	47,494	258,835
2017	57,723	138,004	17,818	38,174	251,719
2016	61,593	214,315	9,836	36,053	321,797
2015	57,281	101,438	3,128	38,089	199,935
2014	65,935	778,437	2,274	41,844	888,490
2013	36,054	65,300	1,770	40,194	143,318

Source: District records

REVENUE CAPACITY

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

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2021	\$ 42,366,200	\$ 1,644,863,100	\$ 1,947,600	\$ 505,990,870	\$ 10,892,500	\$ 20,953,000	\$ 2,227,013,270	\$ 2,182,455	\$ 2,229,195,725	\$ 2,487,101,129	0.910
2020	45,226,600	1,484,625,100	1,947,600	483,682,270	10,892,500	17,653,000	2,044,027,070	2,156,516	2,046,183,586	2,387,880,079	0.873
2019	30,535,900	1,469,209,600	1,947,600	511,254,470	10,892,500	17,653,000	2,041,493,070	2,188,152	2,043,681,222	2,269,648,489	0.873
2018	18,230,600	1,461,402,600	1,947,600	547,446,970	10,892,500	17,653,000	2,057,573,270	2,188,152	2,059,761,422	2,321,042,653	0.847
2017	36,933,900	1,429,043,800	1,957,100	548,778,970	11,044,100	17,653,000	2,045,410,870	2,242,777	2,047,653,647	2,299,520,242	0.772
2016	40,981,600	1,400,530,900	1,957,100	562,631,600	11,044,100	17,653,000	2,034,798,300	2,467,175	2,037,265,475	2,174,371,160	0.778
2015	20,081,500	1,393,517,686	1,971,500	609,601,400	11,044,100	17,653,000	2,053,869,186	2,292,619	2,056,161,805	2,261,833,469	0.747
2014	25,314,100	1,375,114,800	1,939,100	576,034,600	11,044,100	17,653,000	2,007,099,700	2,166,301	2,009,266,001	2,272,470,680	0.750
2013	21,928,800	1,374,516,300	1,971,500	581,097,200	11,044,100	17,653,000	2,008,210,900	2,735,012	2,010,945,912	2,177,618,311	0.729
2012	30,625,900	1,727,073,100	2,283,600	582,231,700	11,339,100	18,753,000	2,372,306,400	2,939,324	2,375,245,724	2,358,413,899	0.599

(1) Revaluation effective

Source: Municipal Tax Assessor

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

Year Ended December 31,	School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	(From J-6) Total Direct School Tax Rate	Municipality	Regional School	County	
2021	0.854	0.056	0.910	0.580	0.706	0.275	2.471
2020	0.843	0.030	0.873	0.554	0.701	0.278	2.406
2019	0.843	0.030	0.873	0.557	0.676	0.257	2.363
2018	0.817	0.030	0.847	0.559	0.663	0.265	2.334
2017	0.741	0.031	0.772	0.604	0.656	0.271	2.303
2016	0.747	0.031	0.778	0.590	0.630	0.262	2.260
2015	0.716	0.031	0.747	0.580	0.609	0.265	2.201
2014	0.718	0.032	0.750	0.577	0.590	0.264	2.181
2013	0.697	0.032	0.729	0.560	0.561	0.247	2.097
2012	0.572	0.027	0.599	0.457	0.460	0.210	1.726

(1) Revaluation effective

Source: Municipal Tax Collector

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

Taxpayer	2022		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
KPMG Peat Marwick	\$ 47,550,000	N/A		
Terraza 18, LLC	38,015,900	N/A		
Montvale Dev. Group C/O Hekemian	36,993,600	N/A		
Toll NJ 1 LLC	24,425,000	N/A		
Grand Prix Montvale LLC	20,900,000	N/A	Not Available	
Nottingham Court LLC	17,653,000	N/A		
Benjamin Moor & CO	16,000,000	N/A		
160 Spring Valley Road LLC	14,169,100	N/A		
155 Montvale Partners	13,407,500	N/A		
Summit Property 1 LLC	12,500,000	N/A		
Total	\$ 241,614,100	0.00%	\$ -	\$ -

Source: Municipal Tax Assessor

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

Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal year of the Levy ^a		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2021	N/A	N/A	N/A	N/A	\$ -	N/A
2020	\$ 49,928,858	\$ 49,605,358	99.35%	N/A	49,605,358	99.35%
2019	48,479,680	48,046,233	99.11%	N/A	48,046,233	99.11%
2018	48,310,658	48,069,471	99.50%	\$ 239,398	48,308,869	100.00%
2017	47,695,925	47,444,621	99.47%	241,187	47,685,808	99.98%
2016	47,142,888	46,325,189	98.27%	251,304	46,576,493	98.80%
2015	45,649,731	45,255,293	99.14%	227,497	45,482,790	99.63%
2014	44,886,245	44,616,258	99.40%	247,461	44,863,719	99.95%
2013	42,207,847	41,812,770	99.06%	364,103	42,176,873	99.93%
2012	41,257,864	40,557,327	98.30%	587,019	41,144,346	99.72%

Source: Municipal Tax Collector

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

DEBT CAPACITY

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

Fiscal Year Ended June 30,	Governmental Activities					Business-Type Activities		Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds ^b	Certificates of Participation	Loans	Capital Leases	Bond Anticipation Notes (BANS)	Capital Leases				
2022	\$ 30,160,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,160,000	5.21%	\$ 3,574	
2021	891,000	-	-	-	-	-	891,000	0.17%	104	
2020	1,424,000	-	-	-	-	-	1,424,000	0.25%	166	
2019	1,949,000	-	-	-	-	-	1,949,000	0.40%	228	
2018	2,459,000	-	-	-	-	-	2,459,000	0.52%	287	
2017	2,954,000	-	-	-	-	-	2,954,000	0.67%	351	
2016	3,434,000	-	-	-	-	-	3,434,000	0.87%	412	
2015	3,894,000	-	-	-	-	-	3,894,000	0.97%	474	
2014	4,339,000	-	-	-	-	-	4,339,000	1.06%	534	
2013	4,769,000	-	-	-	-	-	4,769,000	1.12%	592	

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2022	\$ 30,160,000	\$ -	\$ 30,160,000	0.00%	\$ 3,574
2021	891,000	-	891,000	0.04%	104
2020	1,424,000	-	1,424,000	0.06%	166
2019	1,949,000	-	1,949,000	0.09%	228
2018	2,459,000	-	2,459,000	0.11%	287
2017	2,954,000	-	2,954,000	0.13%	351
2016	3,434,000	-	3,434,000	0.16%	412
2015	3,894,000	-	3,894,000	0.17%	474
2014	4,339,000	-	4,339,000	0.19%	534
2013	4,769,000	-	4,769,000	0.22%	592

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

Net Direct Debt of School District As of December 31, 2020	\$ 1,284,640
Net Overlapping Debt of School District:	
Borough of Montvale (100%)	12,511,130
Regional School District	3,954,903
County of Bergen - Borough share \$855,378,427.00 at December 31, 2019 (1.260%)	19,495,775
Bergen County Utilities Authority (Water Pollution) - Borough's share of \$132,517,773 at December 31, 2020 (1.224%)	<u>1,421,888</u>
Total Direct and Overlapping Bonded Debt As of December 31, 2020	<u><u>\$ 38,668,336</u></u>

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

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

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized Valuation Basis	
2018	\$	2,277,588,300
2019		2,375,762,912
2020		2,336,053,604
	\$	<u>6,989,404,816</u>
Average Equalized Valuation of Taxable Property	\$	2,329,801,605
Debt Limit (3% of Average Equalization Value)		69,894,048
Total Net Debt Applicable To Limit		<u>30,160,000</u>
Legal Debt Margin	\$	<u>39,734,048</u>

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit	\$ 39,734,048	\$ 69,426,648	\$ 68,529,352	\$ 67,598,470	\$ 66,708,536	\$ 66,483,583	\$ 67,803,375	\$ 68,501,499	\$ 68,572,890	\$ 67,564,102
Total Net Debt Applicable to Limit	<u>30,160,000</u>	<u>891,000</u>	<u>1,424,000</u>	<u>1,949,000</u>	<u>2,459,000</u>	<u>2,954,000</u>	<u>3,434,000</u>	<u>3,894,000</u>	<u>4,339,000</u>	<u>4,769,000</u>
Legal Debt Margin	<u>\$ 9,574,048</u>	<u>\$ 68,535,648</u>	<u>\$ 67,105,352</u>	<u>\$ 65,649,470</u>	<u>\$ 64,249,536</u>	<u>\$ 63,529,583</u>	<u>\$ 64,369,375</u>	<u>\$ 64,607,499</u>	<u>\$ 64,233,890</u>	<u>\$ 62,795,102</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	75.90%	2.08%	2.88%	3.69%	4.44%	5.06%	5.68%	0.00%	6.33%	7.06%

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2021	8,439	\$ 578,839,449	\$ 68,591	4.8%
2020	8,580	524,169,360	61,092	8.1%
2019	8,571	578,859,627	67,537	2.5%
2018	8,566	489,812,446	57,181	3.1%
2017	8,576	470,299,264	54,839	3.7%
2016	8,410	440,145,760	52,336	4.0%
2015	8,333	394,459,221	47,337	3.9%
2014	8,217	403,175,322	49,066	4.7%
2013	8,128	409,293,568	50,356	5.7%
2012	8,057	425,055,092	52,756	6.0%

Source:

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

Personal income has been estimated based upon the municipal population

and per capita personal income presented

Per capita personal income by municipality estimated based upon the 2000

Census published by the US Bureau of Economic Analysis.

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

* Estimated

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

MONTVALE BOARD OF EDUCATION
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND TEN YEARS AGO
 UNAUDITED

Employer	2022			2013		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
	Not Available			Not Available		
	-		0.00%	-		0.00%

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

OPERATING INFORMATION

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

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction										
Regular	77.00	73.00	71.00	73.00	72.30	66.50	69.00	68.50	68.00	69.00
Special Education	45.00	49.00	48.50	44.00	42.00	40.50	33.70	33.70	33.20	33.00
Other Instruction	2.00	2.00	4.00	4.00	4.50	7.00	12.50	12.70	12.70	12.70
Support Services:										
Student and Instruction Related Services	8.50	7.00	8.00	7.00	7.00	8.00	8.14	8.14	7.57	7.57
School Administrative Services	8.00	8.00	8.00	8.00	8.00	8.00	8.88	8.88	8.88	8.88
General and Business Administration Services	4.50	4.50	4.50	4.50	4.50	4.50	3.98	3.98	3.98	3.98
Central Services	3.50	3.50	3.50	3.50	3.50	3.50	2.00	2.00	2.00	2.00
Administrative Information Technology	2.00	2.00	2.00	2.00	2.00	2.00	0.50	0.50	0.50	0.50
Plant Operations and Maintenance	3.00	3.00	3.00	3.00	3.00	4.00	11.70	11.70	11.70	11.70
Total	<u>153.50</u>	<u>152.00</u>	<u>152.50</u>	<u>149.00</u>	<u>146.80</u>	<u>144.00</u>	<u>150.40</u>	<u>150.10</u>	<u>148.53</u>	<u>149.33</u>

Source: District Personnel Records

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

MONTVALE BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percent Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2022	942.0	\$ 22,208,742	\$ 23,576	4.70%	102	1:9	1:10	949.84	898.95	2.19%	94.64%
2021	942.0	21,165,341	22,469	9.33%	98.5	1:9	1:10	929.0	905.4	-6.23%	97.45%
2020	984.0	20,045,197	20,371	0.36%	98	1:10.5	1:9.7	986.9	958.6	1.77%	97.13%
2019	962.0	19,525,834	20,297	8.33%	97	1:10.3	1:9.5	969.4	932.3	-2.82%	96.17%
2018	990.0	18,419,315	18,605	8.44%	94	1:11.5	1:9.7	996.7	956.1	0.00%	95.93%
2017	993.0	16,915,606	17,035	4.47%	95	1:11.2	1:9.7	996.7	959.5	-0.44%	96.27%
2016	1,001.7	16,301,184	16,274	0.72%	95	1:9.8	1:11.2	1,001.1	967.7	-4.97%	96.66%
2015	1,056.0	17,060,581	16,156	4.73%	95	1:11.2	1:10.0	1,050.9	1,015.6	-2.58%	96.64%
2014	1,043.0	16,053,908	15,392	3.25%	94	1:11.4	1:10.8	1,078.0	1,041.2	0.08%	96.59%
2013	1,075.0	16,008,448	14,892	3.64%	95	1:11.4	1:11.2	1,077.1	1,040.4	-1.10%	96.59%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District Building										
Elementary School										
Memorial Elementary (1954, 1962, 1983, 2000)										
Square Feet	85,098	85,098	85,098	85,098	85,098	85,098	85,098	85,098	85,098	85,098
Capacity (students)	584	584	584	584	584	584	584	584	584	584
Enrollment	510	483	518	520	541	526	530	559	552	548
Middle School										
Fieldstone Middle School (1966)										
Square Feet	89,640	89,640	89,640	89,640	89,640	89,640	89,640	89,640	89,640	89,640
Capacity (students)	475	475	475	475	475	475	475	475	475	475
Enrollment	435	452	469	449	454	467	474	497	491	509

Number of Schools at June 30, 2022

- Elementary = 1
- Middle School = 1
- Senior High School = 0
- Other = 0

Source: District Facilities Office

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

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

MONTVALE BOARD OF EDUCATION
 SCHEDULE OF REQUIRED MAINTENANCE
 LAST TEN FISCAL YEARS
 UNAUDITED

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

* School Facility	Pending Projects (w/ DOE Project #)	Gross Building Area (SF)	Ten Year Total	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Memorial Elementary School	SP-3330-030-04-1000 SP-3330-030-09-1002	85,098	\$ 1,031,128	\$ 104,014	\$ 96,168	\$ 100,267	\$ 113,595	\$ 137,804	\$ 108,937	\$ 88,853	\$ 99,957	\$ 78,016	\$ 103,517
Fieldstone Middle School	SP-3330-020-04-1000 SP-3330-020-09-1001 SP-3330-020-10-1001	89,640	1,031,230	87,948	100,590	80,227	124,557	112,022	133,856	100,464	118,311	91,573	81,682
Grand Total		174,738	\$ 2,062,358	\$ 191,962	\$ 196,758	\$ 180,494	\$ 238,152	\$ 249,826	\$ 242,793	\$ 189,317	\$ 218,268	\$ 169,589	\$ 185,199

* 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

BOROUGH OF MONTVALE BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE, 30, 2022
UNAUDITED

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

Source: District's Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR’S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Montvale Board of Education (School District), in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements as listed in table of contents and have issued our report thereon dated March 1, 2023.

Internal Control over Financial Reporting

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

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

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


Compliance and Other Matters


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

We also noted other matters that we reported to the Board of Trustees of the Montvale Board of Education in a separate report entitled, Auditor's Management Report on Administrative Findings dated March 1, 2023.

Purpose of this Report

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


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

Union, New Jersey
March 1, 2023

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE NEW JERSEY
OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the compliance of the Montvale Board of Education (School District), in the County of Bergen, State of New Jersey, with the types of compliance requirements identified as subject to audit in the *New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the year ended June 30, 2022. The 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.

In our opinion, the Montvale Board of Education, in the County of Bergen, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance, and New Jersey OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

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

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

Report on Internal Control over Compliance

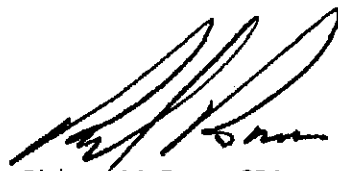
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

Union, New Jersey
March 1, 2023

MONTVALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/ Program Title	Federal AL/CFDA Number	FAIN	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment Of Prior Years' Balances	Balance at June 30, 2022					
					From	To							Accounts Receivable	Unearned Revenue	Due to Grantor			
Special Revenue Fund:																		
U.S. Department of Education																		
Passed-through State Department of Education																		
Every Student Succeeds Act Cluster:																		
Title I Part A	84.010	S010A210030	ESSA - 3330 - 22	\$ 63,767	7/1/21	9/30/22	\$ -	\$ -	\$ 34,985	\$ (58,704)	\$ -	\$ -	\$ (23,709)	\$ -	\$ -			
Title I Part A Carryover	84.010	S010A200030	ESSA - 3330 - 21	134,374	7/1/20	9/30/21	(49,616)	-	49,616	-	-	-	-	-	-			
Title III Immigrant	84.365	S365A210030	ESSA - 3330 - 22	7,985	7/1/21	9/30/22	-	-	251	(3,912)	-	-	(3,661)	-	-			
Title III Immigrant Carryover	84.365	S365A200030	ESSA - 3330 - 21	5,169	7/1/20	9/30/21	(1,028)	-	1,028	-	-	-	-	-	-			
Title II Part A SEA	84.367A	S367A210029	ESSA - 3330 - 22	29,883	7/1/21	9/30/22	-	-	26,670	(28,680)	-	-	(2,010)	-	-			
Title II Part A SEA Carryover	84.367A	S367A200029	ESSA - 3330 - 21	36,243	7/1/20	9/30/21	(12,490)	-	12,490	-	-	-	-	-	-			
Total Every Student Succeeds Act Cluster							(63,134)	-	125,050	(91,296)	-	-	(29,380)	-	-			
Special Education Cluster:																		
I.D.E.A. Part B Basic	84.027A	H027A210100	IDEA - 3330 - 22	204,252	7/1/21	9/30/22	-	-	75,303	(199,662)	-	-	(124,359)	-	-			
I.D.E.A. Part B Basic Carryover	84.027A	H027A200100	IDEA - 3330 - 21	196,950	7/1/20	9/30/21	(13,707)	-	13,707	-	-	-	-	-	-			
ARP I.D.E.A. Basic	84.027X	H027X210100	IDEA - 3330 - 22	39,833	7/1/21	9/30/22	-	-	16,266	(39,833)	-	-	(23,567)	-	-			
I.D.E.A. Preschool	84.173A	H173A210114	IDEA - 3330 - 22	7,088	7/1/21	9/30/22	-	-	6,589	(7,088)	-	-	(499)	-	-			
ARP I.D.E.A. Preschool	84.173X	H173X210114	IDEA - 3330 - 22	3,402	7/1/21	9/30/22	-	-	3,402	(3,402)	-	-	-	-	-			
Total Special Education Cluster							(13,707)	-	115,267	(249,985)	-	-	(148,425)	-	-			
Other Special Revenue Funds:																		
CARES ESSER I Fund - Carryover	84.425D	S425D200027	N/A	107,066	3/13/20	9/30/22	(168)	-	168	-	-	-	-	-	-			
CRRSA ESSER II Fund	84.425D	S425D210027	N/A	415,367	3/13/21	9/30/23	-	-	-	(39,814)	-	-	(39,814)	-	-			
CRRSA ESSER II Fund Learning Acceleration	84.425D	S425D210027	N/A	26,856	3/13/21	9/30/23	-	-	2	(22,020)	-	-	(22,018)	-	-			
CRRSA ESSER II Fund Mental Health	84.425D	S425D210027	N/A	45,000	3/13/21	9/30/23	-	-	-	(45,000)	-	-	(45,000)	-	-			
Total Other Special Revenue Funds							(168)	-	170	(106,834)	-	-	(106,832)	-	-			
Total Special Revenue Fund							(77,009)	-	240,487	(448,115)	-	-	(284,637)	-	-			
Enterprise Fund:																		
U.S. Department of Agriculture																		
Passed-through State Department of Education																		
Child Nutrition Program Cluster:																		
Special Milk Program for Children	10.556	221NJ304N1099	N/A	4,122	7/1/21	6/30/22	-	-	3,880	(4,122)	-	-	(242)	-	-			
Total Enterprise Fund/U.S. Department of Agr							-	-	3,880	(4,122)	-	-	(242)	-	-			
Total Federal Financial Awards							\$ (77,009)	\$ -	\$ 244,367	\$ (452,237)	\$ -	\$ -	\$ (284,879)	\$ -	\$ -			

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

MONTVALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021					Adjustments/Repayment of Prior Year's Balance	Balance at June 30, 2022			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures		(Accounts Receivable)	Unamort Hovenor/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
State Aid-Public Cluster:															
Special Education Categorical Aid	22-495-034-5120-089	\$ 734,577	7/1/21	6/30/22	\$ -	\$ -	\$ -	\$ 645,621	\$ (734,577)	\$ -	\$ (88,956)	\$ -	\$ -	\$ 88,956	\$ 734,577
Special Education Categorical Aid	21-495-034-5120-089	567,610	7/1/20	6/30/21	(53,926)	-	-	53,926	-	-	-	-	-	-	-
Security Aid	22-495-034-5120-084	18,499	7/1/21	6/30/22	-	-	-	18,179	(18,499)	(320)	-	-	320	18,499	
Security Aid	21-495-034-5120-084	18,499	7/1/20	6/30/21	(1,758)	-	-	1,758	-	-	-	-	-	-	
Transportation Aid	22-495-034-5120-014	192,645	7/1/21	6/30/22	-	-	-	190,188	(192,645)	(2,457)	-	-	2,457	192,645	
Transportation Aid	21-495-034-5120-014	192,645	7/1/20	6/30/21	(18,303)	-	-	18,303	-	-	-	-	-	-	
Total State Aid-Public Cluster					(73,997)	-	-	927,975	(945,721)	-	(91,733)	-	-	91,733	945,721
Other General Funds:															
Extraordinary Aid	22-495-034-5120-044	125,000	7/1/21	6/30/22	-	-	-	205,933	(205,933)	-	-	-	(80,933)	205,933	
Extraordinary Aid	21-495-034-5120-044	314,279	7/1/20	6/30/21	(290,055)	-	-	290,055	-	-	-	-	-	-	
Nonpublic School Transportation Costs	22-495-034-5120-078	6,960	7/1/21	6/30/22	-	-	-	6,960	(6,960)	(6,960)	-	-	6,960	6,960	
Nonpublic School Transportation Costs	21-495-034-5120-078	5,800	7/1/20	6/30/21	(5,800)	-	-	5,800	-	-	-	-	-	-	
On-Behalf TPAF Post-Retirement Medical Contribution	22-495-034-5094-001	735,718	7/1/21	6/30/22	-	-	-	735,718	(735,718)	-	-	-	-	735,718	
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	3,148,935	7/1/21	6/30/22	-	-	-	3,148,935	(3,148,935)	-	-	-	-	3,148,935	
Reimbursed TPAF - Social Security	22-495-034-5094-003	662,232	7/1/21	6/30/22	-	-	-	662,232	(662,232)	-	-	-	-	662,232	
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	1,109	7/1/21	6/30/22	-	-	-	1,109	(1,109)	-	-	-	-	1,109	
Total Other General Funds					(295,855)	-	-	5,049,792	(4,750,887)	-	(6,960)	-	(73,973)	4,780,887	
Total General Fund					(369,842)	-	-	5,977,757	(5,706,606)	-	(98,693)	-	-	17,760	5,706,608
Special Revenue Fund:															
SDA Emergent and Capital Maintenance Needs Grant	22-XXX-XXX-XXXX-XXX	22,015	7/1/21	6/30/22	-	-	-	22,015	(22,015)	-	-	-	-	-	22,015
Total Special Revenue Fund					-	-	-	22,015	(22,015)	-	-	-	-	-	22,015
Total State Financial Assistance					\$ (369,842)	\$ -	\$ -	\$ 5,999,772	\$ (5,728,623)	\$ -	\$ (98,693)	\$ -	\$ -	\$ 17,760	\$ 5,728,623
State Financial Assistance Not Subject to Major Program Determination:															
General Fund:															
On-Behalf TPAF Post-Retirement Medical Contrib	22-495-034-5094-001	735,718	7/1/21	6/30/22	-	-	-	(735,718)	735,718	-	-	-	-	(735,718)	
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	3,148,935	7/1/21	6/30/22	-	-	-	(3,148,935)	3,148,935	-	-	-	-	(3,148,935)	
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	1,109	7/1/21	6/30/22	-	-	-	(1,109)	1,109	-	-	-	-	(1,109)	
Total On-Behalf TPAF Pension System Contributions					-	-	-	(3,885,762)	3,885,762	-	-	-	-	(3,885,762)	
Total State Financial Assistance Subject to Major Program Determination					\$ (369,842)	\$ -	\$ -	\$ 2,114,010	\$ (1,842,861)	\$ -	\$ (98,693)	\$ -	\$ -	\$ 17,760	\$ 1,842,861

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

**MONTVALE BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2022**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

**MONTVALE BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2022**

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$17,746) for the general fund and none for the special revenue fund. See Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 5,688,862	\$ 5,688,862
Special Revenue Fund	448,115	22,015	470,130
Food Service Fund	4,122	-	4,122
Total Awards & Financial Assistance	<u>\$ 452,237</u>	<u>\$ 5,710,877</u>	<u>\$ 6,163,114</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

Montvale Board of Education has no loan balances outstanding at June 30, 2022.

NOTE 6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amounts reported as TPAF Pension Contributions, TPAF Post-Retirement Medical Contributions, and TPAF Long-Term Disability Insurance Contributions represent the amount paid by the State on behalf of the school district for the year ended June 30, 2022. 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, 2022.

**MONTVALE BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2022**

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

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

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

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

Program	Total
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$ 58,704
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	<u>28,680</u>
Total	<u>\$ 87,384</u>

NOTE 9. INDIRECT COSTS

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

MONTVALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued on financial statements Unmodified

Internal control over major programs:

1) Material weakness(es) identified? _____ Yes X No

2) Were significant deficiency(ies) identified that are not considered to
be material weaknesses? _____ Yes X None Reported

Noncompliance material to basic financial statements
noted? _____ Yes X No

Federal Awards – N/A

MONTVALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

State Awards

Internal control over compliance:

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

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

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

Identification of major state programs:

<u>State Grant / Project Number(s)</u>	<u>Name of State Program</u>
	State Aid-Public Cluster
<u>22-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>22-495-034-5120-084</u>	<u>Security Aid</u>
<u>22-495-034-5120-014</u>	<u>Transportation Aid</u>
<u>22-495-034-5094-003</u>	<u>Reimbursed TPAF - Social Security</u>

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

Auditee qualified as low-risk auditee? Yes No

**MONTVALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings – N/A

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

Finding

There were no matters reported.

**MONTVALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

FEDERAL AWARDS – N/A

Findings

There were no matters reported.

STATE AWARDS

Findings

There were no matters reported.

**MONTVALE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

STATUS OF PRIOR YEAR FINDINGS – N/A

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, *USOMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (511 (a)(b)) and NJ Circular 04-04-OMB and/or 15-08-OMB, as applicable.

Findings

There were no matters reported.