

MONTVALE BOARD OF EDUCATION

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2023

MONTVALE BOARD OF EDUCATION

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

***Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2023***

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT
OF THE
MONTVALE BOARD OF EDUCATION
MONTVALE, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023***

Prepared by

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

And

Barre & Company LLC, CPAs

STATE BOARD OF EDUCATION

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

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INTRODUCTORY SECTION



Montvale Board of Education

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

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

December 1, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Montvale School District for the fiscal year ending June 30, 2023 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, 2023, 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 annual comprehensive 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 2022-23 fiscal year with an average enrollment of 953.08 students, an increase of 3 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>
2022-2023	953.08	+0.34%
2021-2022	949.84	+2.24%
2020-2021	929.02	-5.84%
2019-2020	986.68	+1.79%
2018-2019	969.35	-3.03%

2] **ECONOMIC CONDITION AND OUTLOOK:** The Borough of Montvale enjoys very high ratables. 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 2023-24 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 continues to improve and upgrade technology. The district has a one-to-one Chromebook initiative for all students in grades 5 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: 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.

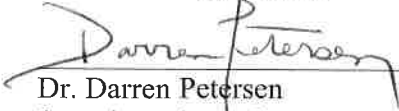
10] OTHER INFORMATION:

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,

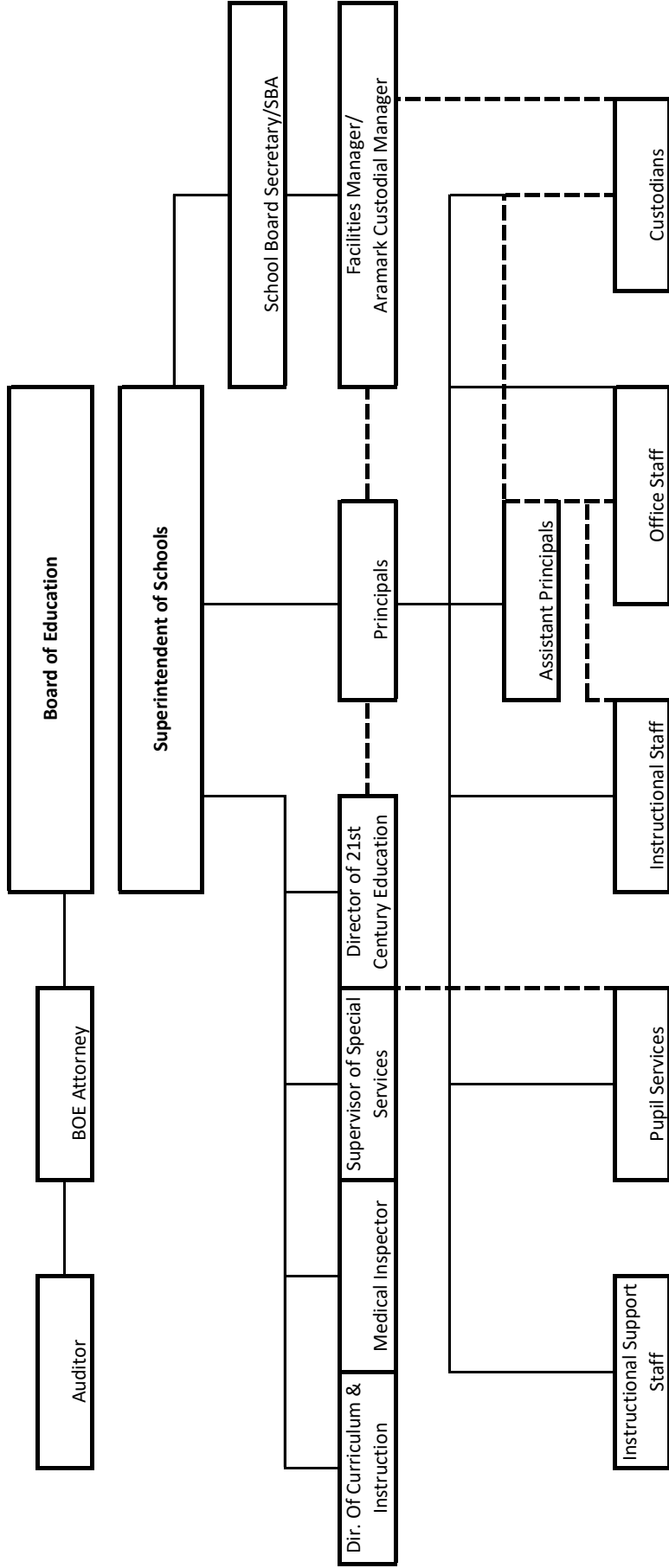


Dr. Darren Petersen
Superintendent of Schools



Andrea Wasserman
Board Secretary/School Business Administrator

MONTVALE PUBLIC SCHOOLS



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

**ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Ernie DiFiore, (President)	2024
John Carvelli, (Vice President)	2023
Amaka Auer	2023
Rachel Baskin	2023
Anita Bagdat	2025
Chris Colla	2024
Alisha Foley	2025

OTHER OFFICIALS

Dr. Daren Peterson, Superintendent of Schools

Mrs. Andrea Wasserman, School Business Administrator/Board Secretary

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

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

CONSULTANTS AND ADVISORS

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Certified Public Accountants
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ATTORNEY

Fogarty & Hara
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OFFICAL DEPOSITORY

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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, 2023, 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, 2023, 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 December 5, 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
December 5, 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, 2023
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, 2023. 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 (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2023 are as follows:

- ❖ The assets and deferred outflow of resources of the Montvale Board of Education exceeded its liabilities and deferred inflow of resources at the close of the fiscal year by \$26,200,604 (net position).
- ❖ The District's overall net position decreased by \$2,031,791 or 7.75%.
- ❖ General revenues accounted for \$26,602,578 in revenue or 94% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,649,144 or 6% of total revenues of \$28,251,722.
- ❖ The School District had \$30,283,513 in expenses; with \$1,649,144 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$26,602,578 were not adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$24,121,455 in revenues and \$23,433,249 in expenditures and other financing sources. The General Fund's fund balance increased \$688,206 over 2022. 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, 2023
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 2023?” 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, 2023
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, 2023
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, 2023
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 2023 and 2022.

**Table 1
Net Position**

	2023	2022
Assets		
Current and Other Assets	\$ 33,095,958	\$ 35,569,601
Capital Assets	<u>25,857,532</u>	<u>26,128,490</u>
Total Assets	<u>58,953,490</u>	<u>61,698,091</u>
Deferred Outflows of Resources		
Pensions	<u>447,217</u>	<u>445,691</u>
Total Deferred Outflows of Resources	<u>447,217</u>	<u>445,691</u>
Liabilities		
Account and Other Payables	525,064	455,448
Other Current Liabilities	985,419	27,443
Long-Term Liabilities	<u>31,246,093</u>	<u>32,151,528</u>
Total Liabilities	<u>32,756,576</u>	<u>32,634,419</u>
Deferred Inflows of Resources		
Pensions	<u>443,527</u>	<u>1,276,968</u>
Total Deferred Inflows of Resources	<u>443,527</u>	<u>1,276,968</u>
Net Position		
Net Investment in Capital Assets	25,261,532	25,382,490
Restricted	26,569,545	34,626,981
Unrestricted	<u>(25,630,473)</u>	<u>(31,777,076)</u>
Total Net Position	<u>\$ 26,200,604</u>	<u>\$ 28,232,395</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)**

The School District as a Whole (Continued)

The District's combined net position (deficit) were \$26,200,604 on June 30, 2023, and \$28,232,395 for 2022.

Table 2 shows changes in net position for fiscal years ended 2023 and 2022.

**Table 2
Changes in Net Position**

	2023	2022
Revenues		
Program Revenues:		
Charges for Services	\$ 535,896	\$ 371,899
Operating Grants and Contributions	1,113,248	913,634
Capital Grants and Contributions	-	-
General Revenues:		
Property Taxes	18,399,067	17,460,403
Grants and Entitlements	7,063,033	7,670,274
Other	<u>1,140,478</u>	<u>195,200</u>
Total Revenues	<u>28,251,722</u>	<u>26,611,410</u>
Program Expenses		
Instruction	9,531,866	9,001,658
Support Services:		
Tuition	895,302	676,399
Student and Instruction Related	218,237	205,803
General and Business Administrative	10,092,252	11,774,712
School Administrative	731,125	739,912
Plant Operations and Maintenance	1,452,716	1,420,058
Pupil Transportation	968,420	674,503
Capital Outlay	5,005,170	498,448
Interest on Long-Term Debt	1,019,855	30,700
Unallocated Depreciation	-	6,206
Business-type activities:		
Milk Program	8,149	7,592
Montvale Summer Institute	15,635	10,988
Child Care	<u>344,786</u>	<u>261,284</u>
Total Program Expenses	<u>30,283,513</u>	<u>25,308,263</u>
Changes in Net Position	<u>\$ (2,031,791)</u>	<u>\$ 1,303,147</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
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 2023 and 66% for 2022 of revenues for governmental activities for the Montvale Board of Education. The District's total revenues were \$27,843,957 for the year ended June 30, 2023, and \$26,334,539 for 2022. Federal, state, and local grants accounted for another 30% for 2023 and 33% for 2022 of revenues which includes \$4,749,319 for 2023 and \$4,547,994 for 2022 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 \$29,914,943 for 2023 and \$25,028,399 for 2022. Instruction comprises 32% for 2023 and 36% for 2022 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.

- ❖ Revenues exceeded expenses by \$39,195 for 2023 and expenses exceeded revenues by \$2,993 for 2022.
- ❖ Charges for services represent \$402,962 for 2023 and \$272,749 for 2022 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 \$4,803 for 2023 and \$4,122 for 2022.

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, 2023
UNAUDITED
(CONTINUED)**

Governmental Activities (Continued)

Table 3

	Total Cost of Services	
	2023	2022
Instruction	\$ 9,531,866	\$ 9,001,658
Support Services:		
Tuition	895,302	676,399
Student and Instruction Related	218,237	205,803
General and Business Administrative	10,092,252	11,774,712
School Administrative	731,125	739,912
Plant Operations and Maintenance	1,452,716	1,420,058
Pupil Transportation	968,420	674,503
Capital Outlay	5,005,170	498,448
Interest on Long-Term Debt	1,019,855	30,700
Unallocated Depreciation	-	6,206
Total Expenses	\$ 29,914,943	\$ 25,028,399

	Net Cost of Services	
	2023	2022
Instruction	\$ 8,617,139	\$ 8,284,408
Support Services:		
Tuition	895,302	676,399
Student and Instruction Related	134,898	157,203
General and Business Administrative	10,092,252	11,774,712
School Administrative	731,125	739,912
Plant Operations and Maintenance	1,452,716	1,420,058
Pupil Transportation	725,107	431,691
Capital Outlay	5,005,170	498,448
Interest on Long-Term Debt	1,019,855	30,700
Unallocated Depreciation	-	6,206
Total Expenses	\$ 28,673,564	\$ 24,019,737

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, 2023
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, special revenue fund, capital projects fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$26,761,808 for 2023 and \$53,196,874 for 2022 and expenditures were \$30,028,704 for 2023 and \$22,762,504 for 2022. The net change in fund balance for the year was a decrease of \$3,266,896 for 2023 and an increase of \$30,434,370 for 2022. The negative change is most significant in the capital projects fund for 2023 and for 2022.

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, 2023, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2022	Percent of Increase/ (Decrease)
Local Sources	\$ 19,672,479	73.64%	\$ 1,917,726	10.80%
State Sources	6,196,308	23.20%	485,431	8.50%
Federal Sources	843,138	3.16%	395,023	88.15%
Total	\$ 26,711,925	100.00%	\$ 2,798,180	

Local revenues increased by \$1,917,726. 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, 2023
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, 2023, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2022	Percent of Increase/ (Decrease)
Current Expense:				
Instruction	\$ 9,297,555	30.96%	\$ 524,370	5.98%
Undistributed	14,760,296	49.16%	1,324,739	9.86%
Capital Outlay	5,065,830	16.87%	4,689,956	1247.75%
Debt Service	905,023	3.01%	727,135	408.76%
Total	\$ 30,028,704	100.00%	\$ 7,266,200	

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, 2023
UNAUDITED
(CONTINUED)**

Capital Assets

The School District had \$25,852,812 at June 30, 2023 and \$26,122,196 at June 30, 2022 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 \$4,720 at June 30, 2023 and \$6,294 at June 30, 2022 invested in machinery and equipment. The table shows the balances of capital assets (net of depreciation) for fiscal years 2023 and 2022.

	2023				2022
	Beg Bal (Adjusted)	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	18,812,600	-	-	18,812,600	18,812,600
<i>Capital Assets Being Depreciated:</i>					
Building and Building Improvements	14,086,119	-	-	14,086,119	13,891,077
Machinery and Equipment	831,410	19,255	32,485	818,180	1,026,452
Totals Capital Assets Being Depreciated	14,917,529	19,255	32,485	14,904,299	14,917,529
Less Accumulated Depreciation:					
Building and Building Improvements	7,027,484	230,985	-	7,258,469	6,850,123
Machinery and Equipment	580,449	49,176	24,007	605,618	757,810
Total Accumulated Depreciation	7,607,933	280,161	24,007	7,864,087	7,607,933
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	7,309,596	(260,906)	8,478	7,040,212	7,309,596
Government Activity Capital Assets, Net	<u>\$ 26,122,196</u>	<u>\$ (260,906)</u>	<u>\$ 8,478</u>	<u>\$ 25,852,812</u>	<u>\$ 26,122,196</u>
Business-Type Activities:					
<i>Capital Assets Being Depreciated:</i>					
Machinery and Equipment	\$ 26,450	\$ -	\$ -	\$ 26,450	\$ 26,450
Less Accumulated Depreciation	20,156	1,574	-	21,730	20,156
Enterprise Fund Capital Assets, Net	<u>\$ 6,294</u>	<u>\$ (1,574)</u>	<u>\$ -</u>	<u>\$ 4,720</u>	<u>\$ 6,294</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 \$28,846,000 and \$30,160,000, compensated absences payable of \$245,363 and \$274,158, and net pension liability of \$2,154,730 and \$1,717,370 for the fiscal years ended June 30, 2023 and 2022, 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, 2023
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, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 14,980,129	\$ 159,265	\$ 15,139,394
Investments	12,264,313		12,264,313
Receivables, Net	1,257,098	262	1,257,360
Restricted Cash with Fiscal Agent	4,434,891		4,434,891
Capital Assets, Net			
Capital Assets, Being Depreciated	25,852,812	4,720	25,857,532
Total Assets	58,789,243	164,247	58,953,490
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	447,217		447,217
Total Deferred Outflows of Resources	447,217	-	447,217
LIABILITIES:			
Accounts Payable	524,522	542	525,064
Bond Interest Payable	275,702		275,702
Unearned Revenue	696,917	12,800	709,717
Long-Term Liabilities Other Than Pensions:			
Due Within One Year	1,176,750		1,176,750
Due Beyond One Year:			
Other Long-Term Liabilities	27,914,613		27,914,613
Aggregate Net Pension Liability	2,154,730		2,154,730
Total Liabilities	32,743,234	13,342	32,756,576
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	443,527		443,527
Total Deferred Outflows of Resources	443,527	-	443,527
NET POSITION (DEFICIT):			
Net Investment in Capital Assets	25,256,812	4,720	25,261,532
Restricted for:			
Capital Projects Fund	25,253,756		25,253,756
Unemployment Compensation	181,289		181,289
Debt Service Fund	-		-
Other Purposes	1,036,919		1,036,919
Student Activities	97,581		97,581
Unrestricted (Deficit)	(25,776,658)	146,185	(25,630,473)
Total Net Position (Deficit)	\$ 26,049,699	\$ 150,905	\$ 26,200,604

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, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
Instruction:							
Regular	\$ 7,107,266	\$ -	\$ -	\$ -	\$ (7,107,266)	\$ -	\$ (7,107,266)
Special Education	1,790,582		914,727		(875,855)		(875,855)
Other Special Education	546,987				(546,987)		(546,987)
Other Instruction	87,031				(87,031)		(87,031)
Support Services:							
Tuition	895,302				(895,302)		(895,302)
Student and Instruction Related Services	218,237	83,339 *			(134,898)		(134,898)
School Administrative Services	731,125				(731,125)		(731,125)
General and Business Administrative Services	10,092,252				(10,092,252)		(10,092,252)
Plant Operations and Maintenance	1,452,716				(1,452,716)		(1,452,716)
Pupil Transportation	968,420	49,595	193,718		(725,107)		(725,107)
Capital Outlay	5,005,170				(5,005,170)		(5,005,170)
Interest on Long-Term Debt	1,019,855				(1,019,855)		(1,019,855)
Total Governmental Activities	29,914,943	132,934	1,108,445	-	(28,673,564)	-	(28,673,564)
BUSINESS-TYPE ACTIVITIES:							
Milk Program	8,149	5,274	4,803			1,928	1,928
Montvale Summer Institute	15,635	15,450				(185)	(185)
Child Care Program	344,786	382,238				37,452	37,452
Total Business-Type Activities	368,570	402,962	4,803	-	-	39,195	39,195
TOTAL PRIMARY GOVERNMENT	\$ 30,283,513	\$ 535,896	\$ 1,113,248	\$ -	\$ (28,673,564)	\$ 39,195	\$ (28,634,369)
GENERAL REVENUES:							
Property Taxes Levied For:							
General Purposes					\$ 17,535,045	\$ -	\$ 17,535,045
Debt Service					864,022		864,022
Federal and State Aid Not Restricted					7,063,033		7,063,033
Investment Earnings - Unrestricted					940,367		940,367
Investment Earnings - Restricted					6,390		6,390
Tuition Revenue					42,970		42,970
Miscellaneous Income					150,751		150,751
Total General Revenues					26,602,578		26,602,578
Change in Net Position					(2,070,986)	39,195	(2,031,791)
Net Position - July 1					28,120,685	111,710	28,232,395
Net Position - June 30					\$ 26,049,699	\$ 150,905	\$ 26,200,604

* 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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
ASSETS:					
Cash and Cash Equivalents	\$ 1,990,888 *	\$ - *	\$ 12,989,443	\$ -	\$ 14,980,331
Investments			12,264,313		12,264,313
Receivables From Other Governments	365,356	891,742			1,257,098
Restricted Cash and Cash Equivalents	4,434,891				4,434,891
Total Assets	\$ 6,791,135	\$ 891,742	\$ 25,253,756	\$ -	\$ 32,936,633
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Cash Overdraft	\$ -	\$ 202 *	\$ -	\$ -	\$ 202
Accounts Payable	141,965	97,042			239,007
Payroll Deductions and Withholdings	45,990 **				45,990
Unearned Revenue		696,917			696,917
Unemployment Trust Fund Liability	59,474 ***				59,474
Total Liabilities	247,429	794,161	-	-	1,041,590
Fund Balances:					
Restricted For:					
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures	350,000				350,000
Reserved for Excess Surplus	400,000				400,000
Capital Reserve Account	4,801,571				4,801,571
Maintenance Reserve Account	252,643				252,643
Unemployment Compensation	181,289				181,289
Capital Projects Fund			25,253,756		25,253,756
Debt Service Fund				-	-
Student Activities		97,581			97,581
Assigned:					
Other Purposes	34,276				34,276
Designated for Subsequent Year's Expenditures	87,893				87,893
Unassigned:					
General Fund	436,034				436,034
Total Fund Balances	6,543,706	97,581	25,253,756	-	31,895,043
Total Liabilities and Fund Balances	\$ 6,791,135	\$ 891,742	\$ 25,253,756	\$ -	

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 \$33,716,899 and the accumulated depreciation is \$7,864,087.

25,852,812

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.

(31,246,093)

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:

(275,702)

Accrued pension contributions for the June 30, 2023 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.

(180,051)

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

447,217

Deferred inflows of resources related to pensions

(443,527)

Net Position (Deficit) of Governmental Activities

\$ 26,049,699

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

MONTVALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 17,535,045	\$ -	\$ -	\$ 864,022	\$ 18,399,067
Tuition	42,970				42,970
Transportation Fees	49,595				49,595
Interest Earned on Investments	175,872		764,495		940,367
Other Restricted Miscellaneous Revenues	6,390 *				6,390
Unrestricted Miscellaneous Revenues	143,684				143,684
Other Local Sources		90,406 **			90,406
Total Local Sources	17,953,556	90,406	764,495	864,022	19,672,479
State Sources	6,167,899	28,409			6,196,308
Federal Sources		843,138			843,138
Total Revenues	24,121,455	961,953	764,495	864,022	26,711,925
EXPENDITURES:					
Current:					
Instruction:					
Regular	6,430,482	444,500			6,874,982
Special Education	1,789,797				1,789,797
Other Special Education	546,987				546,987
Other	85,789				85,789
Support Services and Undistributed Costs:					
Tuition	895,302				895,302
Student and Instruction Related Services	2,124,036	208,495 ***			2,332,531
School Administrative Services	725,953				725,953
General and Business Administrative Services	933,692				933,692
Plant Operations and Maintenance	1,436,820				1,436,820
Pupil Transportation	968,420				968,420
Unallocated Employee Benefits	7,467,578				7,467,578
Capital Outlay	28,393	303,688	4,733,749		5,065,830
Debt Service:					
Principal				150,000	150,000
Interest and other Charges				755,023	755,023
Total Expenditures	23,433,249	956,683	4,733,749	905,023	30,028,704
Excess (Deficiency) of Revenues Over (Under) Expenditures	688,206	5,270	(3,969,254)	(41,001)	(3,316,779)
OTHER FINANCING SOURCES (USES):					
Interfund Transfers:					
Transfers In				41,000	41,000
Transfers Out			(41,000)		(41,000)
Unrealized Gains (Losses) From Investments			49,883		49,883
Total Other Financing Sources (Uses)	-	-	8,883	41,000	49,883
NET CHANGE IN FUND BALANCES	688,206	5,270	(3,960,371)	(1)	(3,266,896)
FUND BALANCES, JULY 1	5,855,500	92,311	29,214,127	1	35,161,939
FUND BALANCES, JUNE 30	\$ 6,543,706	\$ 97,581	\$ 25,253,756	\$ -	\$ 31,895,043

* 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, 2023

Total net change in fund balances - governmental funds (B-2) \$ (3,266,896)

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	\$ (280,161)	
Capital Outlay	<u>10,777</u>	(269,384)

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.

150,000

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.

28,795

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.

1,164,000

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.

(264,832)

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.

387,331

Change in net position of governmental activities \$ (2,070,986)

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, 2023

	Business-Type Activities - Enterprise Fund				Totals
	Milk Program	Montvale Summer Institute	Child Care		
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$ 6,446	\$ 13,172	\$ 139,647		\$ 159,265
Receivables from Other Governments	262				262
Total Current Assets	6,708	13,172	139,647		159,527
Noncurrent Assets:					
Furniture, Machinery and Equipment	26,450				26,450
Less: Accumulated Depreciation	(21,730)				(21,730)
Total Noncurrent Assets	4,720	-	-		4,720
Total Assets	\$ 11,428	\$ 13,172	\$ 139,647		\$ 164,247
LIABILITIES AND NET POSITION:					
Liabilities:					
Accounts Payable	204	338	-		542
Unearned Revenue		12,800			12,800
Total Liabilities	204	13,138	-		13,342
Net Position:					
Net Investment in Capital Assets Unrestricted	4,720	-	-		4,720
	6,504	34	139,647		146,185
Total Net Position	11,224	34	139,647		150,905
Total Liabilities and Net Position	\$ 11,428	\$ 13,172	\$ 139,647		\$ 164,247

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, 2023

	Business-Type Activities - Enterprise Fund			
	Milk Program	Montvale Summer Institute	Child Care	Totals
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Program (Reimbursable Program) Meals	\$ 5,274	-	-	\$ 5,274
Program Fees		15,450	382,238	397,688
Total Operating Revenues	5,274	15,450	382,238	402,962
OPERATING EXPENSES:				
Cost of Sales - Program (Reimbursable Program) Meals				
Salaries	6,529			6,529
Support Services - Employee Benefits		10,652	225,100	235,752
Purchased Property Services		792	39,134	39,926
General Supplies and Materials	46	3,000	60,000	63,000
Depreciation Expense	1,574	1,191	20,552	21,789
Total Operating Expenses	8,149	15,635	344,786	368,570
OPERATING INCOME (LOSS)	(2,875)	(185)	37,452	34,392
NONOPERATING REVENUES:				
Federal Sources:				
Special Milk Program	4,803			4,803
Total Nonoperating Revenues (Expenses)	4,803	-	-	4,803
CHANGE IN NET POSITION	1,928	(185)	37,452	39,195
TOTAL NET POSITION - JULY 1	9,296	219	102,195	111,710
TOTAL NET POSITION - JUNE 30	\$ 11,224	\$ 34	\$ 139,647	\$ 150,905

MONTVALE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Fund			
	Milk Program	Montvale		Totals
		Summer Institute	Child Care	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	5,254	15,450	382,648	403,352
Cash Payments to Suppliers and Employees	(6,371)	(17,652)	(346,912)	(370,935)
Net Cash Provided By (Used In) Operating Activities	(1,117)	(2,202)	35,736	32,417
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash Received From State And Federal Reimbursements	4,803			4,803
Net Cash Provided By Noncapital Financing Activities	4,803		-	4,803
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,686	(2,202)	35,736	37,220
CASH AND CASH EQUIVALENTS, JULY 1	2,760	15,374	103,911	122,045
CASH AND CASH EQUIVALENTS, JUNE 30	6,446	13,172	139,647	159,265
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Operating Income (Loss)	(2,875)	(185)	37,452	34,392
Depreciation	1,574			1,574
Change In Assets And Liabilities:				
Increase In Receivables From Other Governments	(20)			(20)
Decrease In Other Receivables			410	410
Increase (Decrease) In Accounts Payable	204	(92)	(2,126)	(2,014)
Increase In Unearned Revenue		(1,925)		(1,925)
Net Cash Provided By (Used In) Operating Activities	(1,117)	(2,202)	35,736	32,417

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

NOTES TO THE FINANCIAL STATEMENTS

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Reporting Entity

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

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

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

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

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

C. Basic Financial Statements – Government-Wide Statements

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statement – Government-Wide Statements (Continued)

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

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

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

D. Basic Financial Statements – Fund Financial Statements

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

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

The District reports the following governmental funds:

Governmental Fund Type

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

Governmental Fund Type (Continued)

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

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

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

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

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

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

Fund Balances – Governmental Funds

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

Governmental Fund Type (Continued)

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

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

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

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

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

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

Proprietary Fund Type

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

Proprietary Fund Type (Continued)

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

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

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

Food Service Fund:

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

Fiduciary Fund Types

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

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

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

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

E. Basis of Accounting

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

1. Accrual:

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

2. Modified Accrual:

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

3. Revenues:

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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.

Normal 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 following presents a reconciliation of the special revenue funds from the budgetary basis of accounting:

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget/Budgetary Control (Continued)

Total Revenues & Expenditures (Budgetary Basis)	\$ 1,627,899
Adjustments:	
Less Encumbrances at June 30, 2023	(671,216)
Plus Encumbrances at June 30, 2022	<u>-</u>
Total Revenues and Expenditures (GAAP Basis)	<u><u>\$ 956,683</u></u>

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

**MONTVALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Capital Assets (Continued)

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:

<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).

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

6. Unearned Revenue

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

7. Long-Term Obligations

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

8. Fund Equity

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

9. Net Position

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

10. Use of Estimates

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

11. Allocation of Costs

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Impact of Recently Issued Accounting Principles

During fiscal year 2023, the School District has adopted the following GASB statements.

GASB No. 96, *Subscription Based Information Technology Arrangements*. 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 SBITA 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.

As of June 30, 2023, the entity's SBITAs were all 12 months or less and so the School District was exempt from reporting under this pronouncement.

GASB Statement No. 99, *Omnibus 2022*. 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.

Recently Issued Accounting Pronouncements

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

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.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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.

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%.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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

Deposits Investments (Continued)

Deposits (Continued)

As of June 30, 2023, 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>\$ 6,425,779</u>	<u>\$ (202)</u>	<u>\$ 12,989,443</u>	<u>\$ -</u>	<u>\$ 159,265</u>	<u>\$ 19,574,285</u>

The carrying amount of the Board’s cash and cash equivalents at June 30, 2023 was \$19,574,285 and the bank balance was \$32,425,775. 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, 2023, Montvale Board of Education’s participation in the State of New Jersey Cash Management Fund amounted to \$1,402,722.

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;

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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

Deposits and Investments (Continued)

Investments (Continued)

- (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
- (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 \$25,193,019 in investments at June 30, 2023.

NOTE 3: INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2023, there were no interfund receivables and payables resulting from various interfund transactions.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance (Adjusted)	Additions	Retirements	Ending Balance
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	14,086,119	-	-	14,086,119
Machinery and Equipment	831,410	19,255	32,485	818,180
Totals at Historical Cost	<u>14,917,529</u>	<u>19,255</u>	<u>32,485</u>	<u>14,904,299</u>
Less Accumulated Depreciation For:				
Building and Building Improvements	7,027,484	230,985	-	7,258,469
Machinery and Equipment	580,449	49,176	24,007	605,618
Total Accumulated Depreciation	<u>7,607,933</u>	<u>280,161</u>	<u>24,007</u>	<u>7,864,087</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>7,309,596</u>	<u>(260,906)</u>	<u>8,478</u>	<u>7,040,212</u>
Government Activity Capital Assets, Net	<u>\$ 26,122,196</u>	<u>\$ (260,906)</u>	<u>\$ 8,478</u>	<u>\$ 25,852,812</u>
Business-Type Activities:				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	\$ 26,450	\$ -	\$ -	\$ 26,450
Less Accumulated Depreciation	<u>(20,156)</u>	<u>(1,574)</u>	<u>-</u>	<u>(21,730)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 6,294</u>	<u>\$ (1,574)</u>	<u>\$ -</u>	<u>\$ 4,720</u>

Depreciation expense was charged to functions as follows:

Instruction Services	\$ 232,284
Special Education	785
Other Instruction	1,242
Student and Instruction Related Services	9,742
General and Business Administrative Services	15,040
School Administrative Services	5,172
Plant Operations and Maintenance	15,896
Total	<u>\$ 280,161</u>

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023 were \$16,788. Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2024	\$ 16,788
2025	16,788
2026	<u>2,798</u>
Total minimum lease payments	36,374
Less: Amount representing interest	<u>-</u>
Present value of net minimum lease payments	<u><u>\$ 36,374</u></u>

B. Long-Term Liabilities

Long-Term liability activity for the year ended June 30, 2023 was as follows:

	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>July 1, 2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2023</u>	<u>Due Within</u>
					<u>One Year</u>
Bonds Payable	\$ 30,160,000	\$ -	\$ 1,314,000	\$ 28,846,000	\$ 1,160,000
Compensated Absences Payable	274,158	29,170	57,965	245,363	16,750
Net Pension Liability	<u>1,717,370</u>	<u>617,410</u>	<u>180,050</u>	<u>2,154,730</u>	<u>-</u>
Total	<u><u>\$ 32,151,528</u></u>	<u><u>\$ 646,580</u></u>	<u><u>\$ 1,552,015</u></u>	<u><u>\$ 31,246,093</u></u>	<u><u>\$ 1,176,750</u></u>

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023 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	\$ 596,000
School Bonds of 2022	Various	8/15	2043	29,414,000	28,250,000
				<u>\$ 31,785,000</u>	<u>\$ 28,846,000</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>
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>\$ 596,000</u>	<u>\$ 47,883</u>	<u>\$ 643,883</u>

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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>
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
2028	1,240,000	617,920	31,254,810
Thereafter	22,721,000	5,511,890	28,232,890
	<u>\$ 28,250,000</u>	<u>\$ 8,820,280</u>	<u>\$ 66,467,170</u>

2. Temporary Notes

There are no Temporary Notes outstanding as of June 30, 2023.

3. Bonds Authorized But Not Issued

There were authorized but not issued bonds in the amount of \$640 as of June 30, 2023.

4. Capital Leases Payable

There were no Capital Leases as of June 30, 2023.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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 \$252,643 as of June 30, 2023. 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, 2023 is \$750,000. The reserved fund balance of \$400,000 has been appropriated in the fiscal year 2022-2023 and \$350,000 will be appropriated in the fiscal year 2023-2024.

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, 2023**

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	-
2022-2023	Investment Income	81,639
	Budget (Unreserved Fund Balance)	619,323
	Budget Withdrawal	-
	Balance June 30, 2023	<u><u>4,801,571</u></u>

The June 30, 2023 LRFPP balance of local support costs of uncompleted capital projects at Montvale Board of Education is \$26,610,641.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Vesting and Benefit Provisions (Continued)

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching 62. Service retirement benefits of $1/60^{\text{th}}$ 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 2022, 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 \$180,051 for fiscal year 2023.

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023, the School District reported a liability of \$2,154,730 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2021 which was rolled forward to June 30, 2022. 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, 2022 measurement date, the School District’s proportion was 0.0142778861%, which was a decrease of 0.0002189671% from its proportion measured as of June 30, 2021 of 0.0144968532%.

For the fiscal year ended June 30, 2023, the School District recognized pension expense of (\$207,281), in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2022 measurement date.

At June 30, 2023, 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	\$ 15,552	\$ 13,715
Changes in Assumptions	6,676	322,648
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	89,182	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	155,756	107,164
School District Contributions Subsequent to the Measurement Date	<u>180,051</u>	<u>-</u>
	<u>\$ 447,217</u>	<u>\$ 443,527</u>

\$180,051, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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
_____	_____
2023	\$ (184,831)
2024	(94,165)
2025	(45,922)
2026	100,185
2027	(220)

	\$ (224,953)
	=====

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 5.04, 5.13, 5.16, 5.21, 5.63, and 5.48 years for the 2022, 2021, 2020, 2019, 2018, and 2017, respectively.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 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	-
June 30, 2022	-	5.04 years
Changes in Assumptions		
Year of Pension Plan Deferral:		
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	-
June 30, 2022	-	5.04 years
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.00 years
June 30, 2019	-	5.00 years
June 30, 2020	-	5.00 years
June 30, 2021	-	5.00 years
June 30, 2022	-	5.00 years

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2021. 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, 2022. 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:	2.75 - 6.55%
	based on years of service

Investment Rate of Return	7.00%
---------------------------	-------

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2022) 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2023**

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, 2022, 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, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 2,791,640	\$ 2,172,978	\$ 1,646,471

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.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023**

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 2022, 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, 2023, the State of New Jersey contributed \$359,087 to the TPAF for normal pension benefits on behalf of the School District, which is less than the contractually required contribution of .

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, 2023, 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>38,916,829</u>
Total	<u><u>\$ 38,916,829</u></u>

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2021. 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, 2022. For the June 30, 2022 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, 2022, School District’s proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2022 measurement date, the State’s proportionate share of the TPAF net pension liability associated with the School District was 0.0754283749%, which was an increase of 0.0012234645% from its proportion measured as of June 30, 2021 of 0.0752740196%.

For the fiscal year ended June 30, 2023, the School District recognized \$1,047,361 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, 2022 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, 2022:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 3,013,097,864	\$ 19,441,140,477
Difference Between Expected and Actual Experience	699,820,974	122,664,916
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>1,172,371,073</u>	<u>-</u>
	<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</u>

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7: PENSION PLANS (CONTINUED)

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	8.50 years
June 30, 2015	8.30 years	-
June 30, 2016	-	8.30 years
June 30, 2017	8.30 years	-
June 30, 2018	8.29 years	-
June 30, 2019	-	8.04 years
June 30, 2020	-	7.99 years
June 30, 2021	7.93 years	-
June 30, 2022	-	7.83 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
June 30, 2022	7.83 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	-
June 30, 2022	5.00 years	-

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	<u>\$ (14,678,515,482)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2021. 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, 2022. 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:	
	2.75% - 5.65%
	based on years of service
Investment Rate of Return	7.00%

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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

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, 2022) 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, 2023**

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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2023**

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, 2022, 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 , 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, 2022		
	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	45,609,956	38,899,044	33,245,945
	<u>\$ 45,609,956</u>	<u>\$ 38,899,044</u>	<u>\$ 33,245,945</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.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7: PENSION PLANS (CONTINUED)

C. Defined Contribution Retirement Program (DCRP)

Plan Description

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

Vesting and Benefit Provisions

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

Contributions

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7: PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP) (Continued)

Contributions (Continued)

For DCRP, the School District recognized \$8,417 pension expense for the fiscal year ended June 30, 2023. There were \$25,680 employee contributions to DCRP for the fiscal year ended June 30, 2023.

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, 2022. 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, 2023**

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, 2021:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
	<hr/>
Total Plan Members	<u><u>364,817</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, 2023**

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, 2022 is \$50,646,462,966, 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, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the June 30, 2021 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 funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a nonemployer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.33 billion to the OPEB plan in fiscal year 2022.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023, 2022, and 2021 were \$847,402, \$735,718 and \$698,771, 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, 2021 through June 30, 2022. Non-employer allocation percentages have been rounded for presentation purposes.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2022, 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	\$ 9,042,402,619	\$ 15,462,950,679
Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumptions Changes	<u>8,765,620,577</u>	<u>17,237,289,230</u>
Sub Total	17,808,023,196	32,700,239,909
Contributions Made in Fiscal Year Ending 2022 After June 30, 2021 Measurement Date	TBD	Not Available
Total	<u><u>\$ 17,808,023,196</u></u>	<u><u>\$ 32,700,239,909</u></u>

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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</u> <u>Ending June 30,</u>	<u>Total</u>
2023	\$ (2,517,151,602)
2024	(2,517,151,602)
2025	(2,517,151,602)
2026	(2,175,449,761)
2027	(1,243,951,140)
Total Thereafter	<u>(3,921,361,006)</u>
	<u>\$ (14,892,216,713)</u>

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,132,032. 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, 2023, the State's proportionate share of the OPEB liability attributable to the District is \$32,948,888. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state's share of the OPEB liability attributable to the District was 0.0650566418%, which was a decrease of 0.0001590288% from its proportionate share measured as of June 30, 2021 of 0.0652156706%.

Actuarial Assumptions

The OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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, 2023**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS

Actuarial Assumptions (Continued)

Total Nonemployer OPEB Liability \$ 50,646,462,966

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

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

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2022. 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-2022. 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-2022.

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

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, 2023**

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>
2023	June 30, 2022	3.54%
2022	June 30, 2021	2.16%

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, 2023 (measurement date June 30, 2022) 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, 2021		
Measurement Date	\$ 39,134,392	\$ 60,007,650,970
Changes Recognized for the Fiscal Year:		
Service Cost	1,805,587	2,770,618,025
Interest on Total OPEB Liability	873,182	1,342,187,139
Changes of Benefit Terms	-	-
Differences between Expected and Actual Experiences	811,727	1,399,200,736
Effect of Changes of Assumptions	(8,838,835)	(13,586,368,097)
Contributions - Employees	27,747	(1,329,476,059)
Gross Benefits Paid by the State	(864,912)	42,650,252
Net Changes	<u>(6,185,504)</u>	<u>(9,361,188,004)</u>
Balance at June 30, 2022		
Measurement Date	<u>\$ 32,948,888</u>	<u>\$ 50,646,462,966</u>

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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 2.16% in 2021 to 3.54% in 2022.

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, 2022. 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, 2022 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 3.54%, 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 (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

	Measurement Date June 30, 2022		
	At 1% Decrease (2.54%)	At Current Discount Rate (3.54%)	At 1% Increase (4.54%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 38,727,952	\$ 32,948,888	\$ 28,317,257

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, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 27,234,270	\$ 32,948,888	\$ 40,455,386

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2022. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 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, 2023**

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, 2023**

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, 2023, 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 December 5, 2023, the date the financial statements were available to be issued.

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, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 17,535,045	\$ -	\$ 17,535,045	\$ 17,535,045	\$ -
Tuition - Other LEA's	13,750		13,750	42,970	29,220
Transportation Fees from Other LEA's	39,000		39,000	49,595	10,595
Rentals	75,000		75,000	85,362	10,362
Earnings on Investments	1,000		1,000	92,075	91,075
Interest on Investments - Maintenance Reserve	1		1	2,157	2,156
Interest on Investments - Capital Reserve	500		500	81,640	81,140
Unrestricted Miscellaneous Revenues	3,500		3,500	58,322	54,822
Other Restricted Miscellaneous Revenues				6,390 *	6,390
Total Local Sources	17,667,796	-	17,667,796	17,953,556	285,760
State Sources:					
Transportation Aid	192,645		192,645	192,645	-
Special Education Categorical Aid	928,348		928,348	928,348	-
Extraordinary Aid	125,000		125,000	284,358	159,358
Security Aid	18,499		18,499	18,499	-
Other Unrestricted State Aid				7,176	7,176
On-Behalf TPAF Pension Aid				3,225,771	3,225,771
Reimbursed TPAF Social Security Aid				674,994	674,994
On-Behalf TPAF Post-Retirement Medical Aid				847,402	847,402
On-Behalf TPAF Long-Term Disability Insurance Aid				1,152	1,152
Total State Sources	1,264,492	-	1,264,492	6,180,345	4,915,853
TOTAL REVENUES	18,932,288	-	18,932,288	24,133,901	5,201,613
EXPENDITURES:					
Current Expenses:					
Instruction:					
Regular Programs:					
Salaries of Teachers:					
Preschool	42,082	700	42,782	42,659	123
Kindergarten	569,071	10,000	579,071	576,264	2,807
Grades 1-5	3,269,238	(19,600)	3,249,638	3,234,108	15,530
Grades 6-8	2,162,793	17,350	2,180,143	2,072,431	107,712
Total Regular Programs - Instruction	6,043,184	8,450	6,051,634	5,925,462	126,172
Regular Programs - Home Instruction:					
Salaries of Teachers	1,000		1,000		1,000
Purchased Prof/Ed Services	5,000	14,150	19,150	17,000	2,150
Total Regular Programs - Home Instruction	6,000	14,150	20,150	17,000	3,150
Regular Programs - Undistributed Instruction:					
Other Salaries for Instructions	137,448		137,448	112,949	24,499
Purchased Prof/Ed Services	63,500	(13,396)	50,104	43,333	6,771
Purchased Technical Services	5,000	(5,000)	-		-
Other Purchased Services	32,000	(15,000)	17,000	16,788	212
General Supplies	303,157	40,481	343,638	313,566	30,072
Textbooks	9,000	(6,750)	2,250	1,384	866
Total Regular Programs - Undistributed Instruction	550,105	335	550,440	488,020	62,420
Total Regular Programs	6,599,289	22,935	6,622,224	6,430,482	191,742
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	200,491	500	200,991	130,058	70,933
Other Salaries for Instruction	193,264	(68,000)	125,264	103,063	22,201
Purchased Prof/Ed Services	1,000	400	1,400	578	822
General Supplies	6,000	(400)	5,600	3,933	1,667
Total Learning and/or Language Disabilities	400,755	(67,500)	333,255	237,632	95,623
Resource Room/Resouce Center:					
Salaries of Teachers	1,172,730	66,750	1,239,480	1,222,894	16,586
General Supplies	7,050		7,050	5,475	1,575
Total Resource Room/Resouce Center	1,179,780	66,750	1,246,530	1,228,369	18,161

MONTVALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 72,137		\$ 72,137	\$ 69,156	\$ 2,981
Other Salaries for Instruction	50,598		50,598	47,994	2,604
Purchased Prof/Ed Services	1,000		1,000		1,000
General Supplies	2,000		2,000	381	1,619
Total Preschool Disabilities - Part-Time	125,735	-	125,735	117,531	8,204
Preschool Disabilities - Full-Time:					
Salaries of Teachers	99,977	(14,250)	85,727	85,235	492
Other Salaries for Instruction	111,781	10,000	121,781	115,727	6,054
Purchased Prof/Ed Services	1,000		1,000		1,000
General Supplies	2,000		2,000	1,953	47
Total Preschool Disabilities - Full-Time	214,758	(4,250)	210,508	202,915	7,593
Home Instruction:					
Salaries of Teachers	8,000	(600)	7,400		7,400
Purchased Prof/Ed Services	1,000	3,250	4,250	3,350	900
Total Home Instruction	9,000	2,650	11,650	3,350	8,300
Basic Skills/Remedial:					
Salaries of Teachers	457,078	4,600	461,678	461,347	331
General Supplies	1,400		1,400	759	641
Total Basic Skills/Remedial	458,478	4,600	463,078	462,106	972
Bilingual Education:					
Salaries of Teachers	80,000	5,000	85,000	84,881	119
General Supplies	800		800		800
Total Bilingual Education	80,800	5,000	85,800	84,881	919
Total Special Education	2,469,306	7,250	2,476,556	2,336,784	139,772
Other Instructional Programs:					
School-Sponsored Co-Curricular and Extra-Curricular Activities:					
Salaries	61,000		61,000	50,411	10,589
Purchased Services	750		750	747	3
Supplies and Materials	4,000		4,000	884	3,116
Total School-Sponsored Co-Curricular and Extra-Curricular Activities	65,750	-	65,750	52,042	13,708
School-Sponsored Athletics:					
Salaries	43,000		43,000	31,524	11,476
Purchased Services	4,500		4,500		4,500
Supplies and Materials	4,000		4,000	2,223	1,777
Total School-Sponsored Athletics	51,500	-	51,500	33,747	17,753
Total Other Instructional Programs	117,250	-	117,250	85,789	31,461
Total Instruction	9,185,845	30,185	9,216,030	8,853,055	362,975
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special Education	377,091	18,702	395,793	390,521	5,272
Tuition to County Special Services Districts and Regional Day School Within the State	418,975	73,298	492,273	488,705	3,568
Tuition to Private Schools for the Disabled Within the State	90,000	(70,000)	20,000	16,076	3,924
Tuition - Other	5,000	(5,000)	-		-
Total Instruction	891,066	17,000	908,066	895,302	12,764
Attendance and Social Work Services:					
Salaries	12,865		12,865	11,778	1,087
Purchased Prof/Tech Services	16,000		16,000	15,952	48
Supplies and Materials	100		100		100
Total Attendance and Social Work Services	28,965	-	28,965	27,730	1,235
Health Services:					
Salaries	188,452		188,452	176,709	11,743
Purchased Prof/Tech Services	132,500	(65,000)	67,500	56,800	10,700
Other Purchased Services	400		400	225	175
Supplies and Materials	4,000		4,000	3,145	855
Total Health Services	325,352	(65,000)	260,352	236,879	23,473

MONTVALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(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	\$ 271,586	\$ 17,200	\$ 288,786	\$ 284,023	\$ 4,763
Purchased Prof/Ed Services	180,000	(75,350)	104,650	69,223	35,427
Supplies and Materials	4,000	3,900	7,900	7,215	685
Total Other Support Services Students - OT, PT, and Related Services	455,586	(54,250)	401,336	360,461	40,875
Other Support Services Students - Extraordinary Services:					
Salaries	261,342	(36,300)	225,042	192,283	32,759
Purchased Prof/Ed Services	183,100	46,300	229,400	208,124	21,276
Supplies and Materials	1,000	2,299	3,299	1,749	1,550
Total Other Support Services Students - Extraordinary Services	445,442	12,299	457,741	402,156	55,585
Other Support Services Students - Regular Services (Guidance):					
Salaries of Other Professional Staff	172,937	1,500	174,437	174,272	165
Purchased Prof/Ed Services	6,000	1,000	7,000	5,845	1,155
Supplies and Materials	4,300	(2,500)	1,800	273	1,527
Total Other Support Services Students - Regular Services (Guidance)	183,237	-	183,237	180,390	2,847
Other Support Services Students - Special Services (Child Study Teams):					
Salaries of Other Professional Staff	368,877	(55,000)	313,877	304,213	9,664
Salaries of Secretarial and Clerical Assistants	62,456		62,456	61,875	581
Purchased Prof/Ed Services	80,495	58,500	138,995	133,442	5,553
Other Purchased Prof/Tech Services	30,000	(5,800)	24,200	23,550	650
Other Purchased Services	7,500	(3,300)	4,200	2,447	1,753
Supplies and Materials	6,225	4,050	10,275	8,659	1,616
Total Other Support Services Students - Special Services (Child Study Teams)	555,553	(1,550)	554,003	534,186	19,817
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	181,295		181,295	180,217	1,078
Salaries of Other Professional Staff	18,000	(300)	17,700	15,225	2,475
Salaries of Secretarial and Clerical Assistants	29,556	400	29,956	29,792	164
Purchased Prof/Ed Services	23,000	(100)	22,900	21,621	1,279
Other Purchased Services	2,500		2,500	1,114	1,386
Supplies and Materials	250		250	165	85
Total Improvement of Instruction Services	254,601	-	254,601	248,134	6,467
Educational Media/Library:					
Salaries	94,544	2,000	96,544	85,527	11,017
Purchased Prof/Tech Services	9,100	1,000	10,100	9,360	740
Supplies and Materials	16,000	500	16,500	15,392	1,108
Total Educational Media/Library	119,644	3,500	123,144	110,279	12,865
Instructional Staff Training Services:					
Salaries of Other Professional Staff	3,150	12,950	16,100	14,000	2,100
Purchased Prof/Ed Services	9,000	(6,000)	3,000	753	2,247
Other Purchased Services	22,000	(6,950)	15,050	9,068	5,982
Supplies and Materials	2,200		2,200		2,200
Total Instructional Staff Training Services	36,350	-	36,350	23,821	12,529
Support Services General Administration:					
Salaries	316,632		316,632	316,444	188
Legal Fees	33,000	5,000	38,000	29,838	8,162
Audit Fees	25,000	30,100	55,100	25,533	29,567
Other Purchased Professional Fees	25,000	22,450	47,450	37,819	9,631
Purchased Technical Services	21,500	(850)	20,650	19,845	805
Communications/Telephone	28,600	(7,800)	20,800	19,526	1,274
BOE Other Purchased Services	12,000	2,000	14,000	10,107	3,893
Other Purchased Services	7,000	(2,600)	4,400	3,323	1,077
General Supplies	2,000		2,000	1,645	355
BOE In-House Training/Meeting Supplies	500		500	294	206
Miscellaneous Expenditures	1,300	700	2,000	1,456	544
BOE Membership Dues and Fees	8,000	(100)	7,900	7,429	471
Total Support Services General Administration	480,532	48,900	529,432	473,259	56,173

MONTVALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(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	\$ 493,130	\$ (30,000)	\$ 463,130	\$ 442,600	\$ 20,530
Salaries of Other Professional Staff	74,790		74,790	73,559	1,231
Salaries of Secretarial and Clerical Assistants	197,004		197,004	188,173	8,831
Purchased Prof/Tech Services	3,200		3,200	3,106	94
Other Purchased Services	10,000	(995)	9,005	8,731	274
Supplies and Materials	8,000	(1,505)	6,495	5,089	1,406
Other Objects	3,000	2,400	5,400	4,695	705
Total Support Services School Administration	789,124	(30,100)	759,024	725,953	33,071
Central Services:					
Salaries	376,519		376,519	370,645	5,874
Purchased Professional Services	10,000	(3,400)	6,600	5,939	661
Miscellaneous Purchased Services	5,000	(1,800)	3,200	1,926	1,274
Supplies and Materials	5,000	1,300	6,300	6,229	71
Total Central Services	396,519	(3,900)	392,619	384,739	7,880
Administrative Information Technology Services:					
Salaries	61,948		61,948	60,312	1,636
Purchased Technical Services	15,000	(1,998)	13,002	12,927	75
Supplies and Materials		2,498	2,498	2,455	43
Total Administrative Information Technology Services	76,948	500	77,448	75,694	1,754
Required Maintenance for School Facilities:					
Salaries	91,172		91,172	89,153	2,019
Cleaning, Repair and Maintenance Services	86,000	49,870	135,870	135,632	238
General Supplies	14,000	(7,774)	6,226	5,105	1,121
Other Objects	2,000	(1,100)	900	407	493
Total Required Maintenance for School Facilities	193,172	40,996	234,168	230,297	3,871
Custodial Services:					
Salaries	181,661	1,615	183,276	167,986	15,290
Cleaning, Repair and Maintenance Services	562,765	9,300	572,065	570,009	2,056
Other Purchased Property Services	16,500	1,750	18,250	16,722	1,528
Insurance	127,166	(3,250)	123,916	123,900	16
Miscellaneous Purchased Services	1,500	(1,215)	285	125	160
General Supplies	45,000	18,158	63,158	60,785	2,373
Energy (Heat and Electricity)	140,500	(12,550)	127,950	115,055	12,895
Energy (Natural Gas)	110,500	35,550	146,050	112,270	33,780
Other Objects	1,000	(250)	750	748	2
Total Custodial Services	1,186,592	49,108	1,235,700	1,167,600	68,100
Care and Upkeep Grounds:					
Cleaning, Repair and Maintenance Services	57,500	(27,500)	30,000	28,013	1,987
General Supplies	3,000		3,000	2,165	835
Total Care and Upkeep Grounds	60,500	(27,500)	33,000	30,178	2,822
Security:					
Cleaning, Repair and Maintenance Services	30,000	(24,000)	6,000	5,250	750
General Supplies	2,000	2,000	4,000	3,495	505
Total Security	32,000	(22,000)	10,000	8,745	1,255
Student Transportation Services:					
Salaries for Pupil Transportation (B/T Home & School) - Regular	10,188		10,188	10,163	25
Contracted Services - Aid In Lieu of Payment for Non-public School Students	25,000	(3,000)	22,000	20,951	1,049
Contracted Services - Transportation (B/T Home & School) - Vendors	481,000	(5,000)	476,000	475,588	412
Contracted Services - Transport (Other Than B/T Home & School) - Vendors	30,000	(25,000)	5,000	3,999	1,001
Contracted Services (Special Ed Students) - Joint Agreements	245,000	232,500	477,500	457,719	19,781
Total Student Transportation Services	791,188	199,500	990,688	968,420	22,268
Unallocated Employee Benefits:					
Group Insurance	3,000		3,000	2,968	32
Social Security Contribution	165,000	12,955	177,955	177,677	278
Other Retirement Contributions - PERS/DCRP	202,100	3,145	205,245	196,830	8,415
Unemployment Compensation	10,000	(9,000)	1,000		1,000
Workmen's Compensation	74,000	(18,000)	56,000	55,912	88
Health Benefits	2,506,657	(69,500)	2,437,157	2,245,794	191,363
Unused Sick Payments to Terminated Employees	22,000	(5,000)	17,000	16,750	250
Tuition Reimbursement	25,500	(2,100)	23,400	22,103	1,297
Other Employee Benefits	2,000		2,000	225	1,775
Total Unallocated Employee Benefits	3,010,257	(87,500)	2,922,757	2,718,259	204,498

MONTVALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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)	\$ -			\$ 3,225,771	\$ (3,225,771)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				674,994	(674,994)
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)				847,402	(847,402)
On-Behalf TPAF Long-Term Disability Insurance Contributions (Non-Budgeted)				1,152	(1,152)
Total Contributions	-	-	-	4,749,319	(4,749,319)
Total Undistributed Expenditures	10,312,628	80,003	10,392,631	14,551,801	(4,159,170)
Total Expenditures - Current Expense	19,498,473	110,188	19,608,661	23,404,856	(3,796,195)
Capital Outlay:					
Equipments:					
Undistributed Expenditures:					
School Administration		10,000	10,000		10,000
Total Undistributed Expenditures	-	10,000	10,000	-	10,000
Facilities Acquisition and Construction Services:					
Other Objects					
	28,393		28,393	28,393	-
Total Facilities Acquisition and Construction Services	28,393	-	28,393	28,393	-
Total Capital Outlay	28,393	10,000	38,393	28,393	10,000
Total Expenditures - General Fund	19,526,866	120,188	19,647,054	23,433,249	(3,786,195)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(594,578)	(120,188)	(714,766)	700,652	1,415,418
FUND BALANCES, JULY 1	5,947,233	-	5,947,233	5,947,233	-
FUND BALANCES, JUNE 30	\$ 5,352,655	\$ (120,188)	\$ 5,232,467	\$ 6,647,885	\$ 1,415,418
RECAPITULATION:					
Restricted For:					
Excess Surplus				\$ 400,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				350,000	
Capital Reserve Account				4,801,571	
Maintenance				252,643	
Unemployment Compensation				181,289	
Assigned Fund Balance:					
Year-End Encumbrances				34,276	
Designated For Subsequent Year's Expenditures				87,893	
Unassigned Fund Balance				540,213	
				6,647,885	
Reconciliation to Governmental Funds Statement (GAAP):					
Less: State Aid Payment Not Recognized on GAAP Basis				(104,179)	
Fund Balance Per Governmental Funds (GAAP)				\$ 6,543,706	

* 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, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Local	\$ 32,768	\$ -	\$ 32,768	\$ 90,406	\$ 57,638 *
State	28,409		28,409	28,409	-
Federal	1,786,417	29,827	1,816,244	1,514,354	(301,890)
Total Revenues	<u>1,847,594</u>	<u>29,827</u>	<u>1,877,421</u>	<u>1,633,169</u>	<u>(244,252)</u>
EXPENDITURES:					
Instruction:					
Salaries	84,157		84,157	31,216	52,941
Salaries of Teachers	54,269	(10,500)	43,769	43,558	211
Other Purchased Services	158,000	39,551	197,551	177,221	20,330
General Supplies	268,024	(2,573)	265,451	192,505	72,946
Total Instruction	<u>564,450</u>	<u>26,478</u>	<u>590,928</u>	<u>444,500</u>	<u>146,428</u>
Support Services:					
Personal Services - Employee Benefits	27,607		27,607	23,551	4,056
Purchased Prof/Ed Services	21,284	3,349	24,633	22,800	1,833
Purchased Professional/Tech Services	234,550		234,550	60,277	174,273
Travel	1,460		1,460	459	1,001
Other Purchased Services	21,749		21,749	21,749	-
Supplies and Materials	1,590		1,590	1,590	-
Student Activities				78,069	(78,069) *
Total Support Services	<u>308,240</u>	<u>3,349</u>	<u>311,589</u>	<u>208,495</u>	<u>103,094</u>
Facilities Acquisition and Construction Services:					
Buildings	974,904		974,904	974,904	-
Total Facilities Acquisition and Construction Services	<u>974,904</u>	<u>-</u>	<u>974,904</u>	<u>974,904</u>	<u>-</u>
Total Expenditures	<u>1,847,594</u>	<u>29,827</u>	<u>1,877,421</u>	<u>1,627,899</u>	<u>249,522</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,270</u>	<u>5,270</u>
Fund Balances, July 1	<u>92,311</u>	<u>-</u>	<u>92,311</u>	<u>92,311</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 92,311</u>	<u>\$ -</u>	<u>\$ 92,311</u>	<u>\$ 97,581</u>	<u>\$ 5,270</u>
Recapitulation:					
Restricted:					
Student Activities				<u>\$ 97,581</u>	
Total Fund Balance				<u>\$ 97,581</u>	

* 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, 2023

**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]	\$ 24,133,901	[C-2]	\$ 1,633,169
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized				(671,216)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		91,733		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(104,179)		-
Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 24,121,455	[B-2]	\$ 961,953
Uses/Outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 23,433,249	[C-2]	\$ 1,627,899
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.				(671,216)
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]	\$ 23,433,249	[B-2]	\$ 956,683

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 TEN FISCAL YEARS
 UNAUDITED

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.0142778861%	0.0144968532%	0.0138346415%	0.0133497763%	0.0147522273%	0.013829819%	0.0173456188%	0.0175276754%	0.0176666905%	0.0191804801%
School District's proportionate share of the net pension liability	\$ 2,154,730	\$ 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)	\$ 1,067,033	\$ 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	201.94%	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	62.91%	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 TEN FISCAL YEARS
 UNAUDITED

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 180,081	\$ 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	(180,051)	(169,775)	(151,344)	(130,361)	(147,447)	(130,504)	(155,021)	(150,691)	(145,640)	(144,521)
Contribution deficiency/(excess)	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll (fiscal year)	\$ 1,067,033	\$ 1,060,088	\$ 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	16.88%	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 TEN FISCAL YEARS
 UNAUDITED

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability attributable of the School District	0.0754283749%	0.0752740196%	0.0740505551%	0.0719121173%	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	\$ 38,916,829	\$ 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)	\$ 9,194,048	\$ 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	423.28%	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	32.29%	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 TEN FISCAL YEARS
 UNAUDITED

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 3,156,867	\$ 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	(359,087)	(290,445)	(204,229)	(116,245)	(135,099)	(97,245)	(81,163)	(62,450)	(221,465)	(233,223)
Contribution deficiency/(excess)	\$ 2,797,780	\$ 1,915,470	\$ 1,473,777	\$ 1,329,652	\$ 890,325	\$ 708,721	\$ 470,488	\$ 323,068	\$ 91,982	\$ 221,265
School District's covered payroll (fiscal year)	\$ 9,194,048	\$ 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	34.34%	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 SEVEN FISCAL YEARS
 UNAUDITED

OPEB Liability at Beginning of Measurement Period	Fiscal Year Ending June 30,						
	2023	2022	2021	2020	2019	2018	2017
\$	39,134,392	\$ 44,507,131	\$ 27,355,382	\$ 29,997,423	\$ 34,033,578	\$ 36,786,422	\$ -
Changes Recognized for the Fiscal Year:							
Service Cost	1,805,587	2,116,108	1,154,495	1,033,203	1,182,305	1,425,799	Not Available
Interest on Total OPEB Liability	873,182	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	811,727	(7,727,259)	7,633,869	(4,453,546)	(2,248,698)	-	Not Available
Effect on Changes of Assumptions	(8,838,835)	38,609	8,129,923	407,871	(3,442,354)	(4,497,685)	Not Available
Contributions from the Employees	27,747	25,953	23,485	24,892	27,723	29,027	Not Available
Gross Benefit Paid by the State	(864,912)	(799,683)	(774,833)	(839,729)	(802,120)	(788,290)	Not Available
Net Changes	(6,185,504)	(5,372,739)	17,151,749	(2,642,041)	(4,036,155)	(2,752,844)	-
OPEB Liability at the End of Measurement Period	\$ 32,948,888	\$ 39,134,392	\$ 44,507,131	\$ 27,355,382	\$ 29,997,423	\$ 34,033,578	\$ 36,786,422
School District's Covered Payroll	\$ 10,261,081	\$ 10,264,895	\$ 9,851,989	\$ 9,610,991	\$ 9,610,991	\$ 8,910,535	\$ 8,643,232
Total School District's OPEB Liability as a Percentage of Covered Employee Payroll	321.11%	381.24%	451.76%	284.63%	312.12%	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, 2022

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, 2021 to 7.00% as of June 30, 2022. Please see Note 7 for details of assumptions used in calculating the net pension liability and statutorily required employer contribution.

NET OPEB LIABILITY (SCHEDULE M-1)

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022. Please see Note 8 for details of assumptions used in calculating the OPEB liability.

MONTVALE BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHERS PENSION AND ANNUITY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2022

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

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 7.00% as of June 30, 2021 to 7.00% as of June 30, 2022. Please see Note 7 for details of assumptions used in calculating the net pension liability and statutorily required employer contribution.

NET OPEB LIABILITY (SCHEDULE M-1)

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022. Please see Note 8 for details of assumptions used in calculating the OPEB liability.

OTHER SUPPLEMENTARY INFORMATION

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

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

MONTVALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	MAL Donations	BCUA Grant	Orange and Rockland Grant	Boys Scout FMS Courtyard Grant	ESSA Title I	ESSA Title III Immigrant	I.D.E.A. Part B	I.D.E.A. Preschool	ESSA Title II	Climate Awareness Education Grant
REVENUE SOURCES:										
Local	\$ 4,245	\$ 825	\$ 850	\$ 1,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State					58,942	4,014	181,418	7,977	22,800	6,660
Federal										
Total Revenues	4,245	825	850	1,147	58,942	4,014	181,418	7,977	22,800	6,660
EXPENDITURES:										
Instruction:										
Salaries										
Salaries of Teachers					35,000	2,982	3,907			
Other Purchased Services							177,221			
General Supplies	4,245	825	850	1,147	3,488	356				6,660
Total Instruction	4,245	825	850	1,147	38,488	3,338	181,128			6,660
Support Services:										
Personal Services - Employee Benefits							290			
Purchased Prof/Ed Services					20,454	217			22,800	
Other Purchased Prof/Tech Services								7,977		
Travel										
Other Purchased Services						459				
Supplies and Materials										
Student Activities										
Total Support Services					20,454	676	290	7,977	22,800	
Facilities Acquisition and Construction Services:										
Buildings										
Total Facilities Acquisition and Construction Services										
Total Expenditures	4,245	825	850	1,147	58,942	4,014	181,418	7,977	22,800	6,660
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-
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, 2023

	CRRSA ESSER II	CRRSA ESSER II	ARP ESSER Fund	ARP ESSER Fund Accelerated Learning Coach & Educator	ARP ESSER Fund Evidence Based Summer Learning & Enrichment	ARP ESSER Fund Evidence Based Comprehensive Beyond the School Day	ARP ESSER Fund NJTSS Mental Health Support Staffing	SDA Grant Emergent Needs and Capital Maintenance	Student Activities Fund	Grand Total
REVENUE SOURCES:										
Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,339	\$ 90,406
State										
Federal	375,553	4,638	775,875	4,501	17,674	15,962	45,000	21,749		28,409
Total Revenues	375,553	4,638	775,875	4,501	17,674	15,962	45,000	21,749	83,339	1,514,354
EXPENDITURES:										
Instruction:										
Salaries										
Salaries of Teachers	1,669			16,331		14,885				31,216
Other Purchased Services										43,558
General Supplies	70,275		104,659							177,221
Total Instruction	70,275	1,669	104,659	16,331		14,885				192,505
Support Services:										
Personal Services - Employee Benefits		170								23,551
Purchased Prof/Ed Services				1,343		1,077				22,800
Other Purchased Prof/Tech Services				4,501			45,000			60,277
Travel										459
Other Purchased Services	1,590							21,749		21,749
Supplies and Materials										1,590
Student Activities									78,069	78,069
Total Support Services	1,590	2,969		4,501	1,343	1,077	45,000	21,749	78,069	208,495
Facilities Acquisition and Construction Services:										
Buildings	303,688		671,216							974,904
Total Facilities Acquisition and Construction Services	303,688		671,216							974,904
Total Expenditures	71,865	4,638	104,659	4,501	17,674	15,962	45,000	21,749	78,069	1,627,899
Excess (Deficiency) of Revenues Over (Under) Expenditures	303,688	-	671,216	-	-	-	-	-	5,270	5,270
Fund Balance, July 1	-	-	-	-	-	-	-	-	92,311	92,311
Fund Balance, June 30	\$ 303,688	\$ -	\$ 671,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,581	\$ 97,581

SECTION F – CAPITAL PROJECTS FUND

**MONTVALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2021</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Improvements to Fieldstone Middle School	4/19/2005	\$ 2,688,371	\$ 2,443,125	\$ 41,000	\$ 204,246
Improvements to Memorial Elementary School	4/19/2005	807,795.00	806,911.00	-	884
Fieldstone Middle School Sidewalks	3/14/2011	37,028.00	37,028.00	-	-
Fieldstone Middle School Roof	8/20/2014	414,875.00	414,875.00	-	-
Fieldstone Middle School Renovations	6/23/2014	793,821.00	783,601.00	-	10,220
Total Expenditures		<u>\$ 4,741,890</u>	<u>\$ 4,485,540</u>	<u>\$ 41,000</u>	<u>\$ 215,350</u>

**MONTVALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Revenues and Other Financing Sources:

State Sources	\$ -
Bond Proceeds and Transfers	-
Contribution from Private Source	814,378
Transfer from Capital Reserve	-
Transfer from Capital Outlay	-
	-
Total Revenues	814,378

Expenditures and Other Financing Uses:

Purchased Professional and Technical Services	1,219,976
Land and Improvements	-
Construction Services	3,510,810
Equipment Purchases	-
Supplies and Miscellaneous Expenditures	2,963
Transfer to Fund 40	41,000
	41,000
Total Expenditures	4,774,749

**Excess (Deficiency) of Revenues
Over (Under) Expenditures**

(3,960,371)

Fund Balance - Beginning

29,214,127

Fund Balance - Ending

\$ 25,253,756

**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, 2023**

	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	294,094	41,000	335,094	-
Total Expenditures and Other Financial Uses	2,443,125	41,000	2,484,125	2,689,011
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 245,246	\$ (41,000)	\$ 204,246	\$ -

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, 2023**

	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	<u>\$ 884</u>	<u>\$ -</u>	<u>\$ 884</u>	<u>\$ -</u>

Additional Project Information:

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

**MONTVALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FIELDSTONE MIDDLE SCHOOL SIDEWALKS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**MONTVALE BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGETARY BASIS
 FIELDSTONE MIDDLE SCHOOL ROOF
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2023**

	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	793,821	-	793,821	793,821
Expenditures and Other Financing Uses				
Construction Services	783,601	-	783,601	793,821
Total Expenditures and Other Financial Uses	783,601	-	783,601	793,821
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 10,220	\$ -	\$ 10,220	\$ -

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, 2023**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023
			Date	Amount					
Additions and Renovations to Schools	2/9/2022	\$ 29,414,000	8/15/2024	\$ 1,010,000	2.000%	\$ 29,414,000	\$ -	\$ 1,164,000	\$ 28,250,000
			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%	746,000	-	150,000	596,000
			11/15/2025	150,000	4.050%				
			11/15/2026	146,000	4.050%				
Total						\$ 30,160,000	\$ -	\$ 1,314,000	\$ 28,846,000

**MONTVALE BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 864,022	\$ -	\$ 864,022	\$ 864,022	\$ -
Total Revenues	864,022	-	864,022	864,022	-
EXPENDITURES:					
Debt Service - Regular:					
Interest	755,023		755,023	755,023	-
Redemption of Principal	150,000		150,000	150,000	-
Total Expenditures	905,023	-	905,023	905,023	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,001)	-	(41,001)	(41,001)	-
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	(1)	-	(1)	(1)	-
Fund Balance, July 1	1	-	1	1	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
Net Investment in Capital Assets	\$ 25,256,812	\$ 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
Restricted	26,569,545	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
Unrestricted	(25,776,658)	(31,882,492)	(2,951,452)	(3,077,166)	(3,342,208)	(3,587,412)	(3,656,777)	(3,457,997)	(3,379,359)	305,917
Total Governmental Activities Net Assets/Position	\$ 26,049,699	\$ 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
Business-Type Activities										
Net Investment in Capital Assets	\$ 4,720	\$ 6,294	\$ 7,866	\$ 14,684	\$ 10,007	\$ 3,826	\$ 4,304	\$ 5,334	\$ 6,365	\$ 1,658
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	146,185	105,416	106,837	221,716	246,548	211,414	192,721	155,878	157,527	146,641
Total Business-Type Activities Net Assets/Position	\$ 150,905	\$ 111,710	\$ 114,703	\$ 236,400	\$ 256,555	\$ 215,240	\$ 197,025	\$ 161,212	\$ 163,892	\$ 148,299
District-wide										
Net Investment in Capital Assets	\$ 25,261,532	\$ 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
Restricted	26,569,545	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
Unrestricted	(25,630,473)	(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
Total District-wide Net Assets/Position	\$ 26,200,604	\$ 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

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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 7,107,266	\$ 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
Special Education	1,790,582	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
Other Special Education	546,987	520,270	257,620	-	-	-	-	-	-	-
Other Instruction	87,031	83,096	23,021	995,947	1,086,365	942,082	736,760	705,541	749,964	697,993
Support Services:										
Tuition	895,302	676,399	894,418	887,915	875,784	641,829	615,711	591,177	635,545	647,843
Student and Instruction Related Services	218,237	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
School Administrative Services	731,125	739,912	716,025	1,197,268	1,272,784	1,223,985	902,377	947,117	988,005	934,230
General and Business Administration Services	10,092,252	11,774,712	9,160,116	1,343,012	1,448,188	1,421,097	1,050,741	967,914	968,212	979,626
Plant Operations and Maintenance	1,452,716	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
Pupil Transportation	968,420	674,503	558,349	473,310	554,188	512,279	468,470	446,781	414,043	460,190
Capital Outlay	5,005,170	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	1,019,855	30,700	63,237	79,208	103,119	126,342	148,878	170,651	191,612	211,525
Unallocated Depreciation	-	6,206	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	29,914,943	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
Business-Type Activities:										
Milk Program	8,149	7,592	1,576	6,284	11,533	9,662	15,601	18,374	16,532	20,787
Extended School Year Program	15,635	10,988	-	21,863	16,625	17,865	20,808	21,149	23,853	21,085
Child Care	344,786	261,284	176,459	310,224	395,537	376,617	376,409	385,765	385,950	320,844
Safetytown	-	-	-	-	3,920	3,920	3,120	2,800	2,665	2,340
Total Business-Type Activities Expenses	368,570	279,864	178,035	338,371	423,695	408,064	415,938	428,088	429,000	365,056
Total District Expenses	\$ 30,283,513	\$ 25,308,263	\$ 24,146,341	\$ 22,264,129	\$ 23,991,456	\$ 22,901,915	\$ 18,151,463	\$ 17,381,916	\$ 17,284,206	\$ 17,046,104
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 132,934	\$ 99,150	\$ 52,353	\$ 134,144	\$ 146,371	\$ 173,837	\$ 187,052	\$ 206,705	\$ 229,701	\$ 253,369
Operating Grants and Contributions	1,108,445	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
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	1,241,379	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
Business-Type Activities:										
Charges for Services	402,962	4,360	-	314,652	459,440	419,527	444,108	416,843	432,654	415,877
Operating Grants and Contributions	4,803	4,122	3,564	6,752	5,571	6,752	7,642	8,565	11,911	10,379
Capital Grants and Contributions	407,665	8,482	-	318,216	465,011	426,279	451,750	425,408	444,565	426,256
Total Business-Type Activities Expenses	1,649,144	1,017,144	808,858	6,368,776	8,251,255	8,018,499	2,872,840	2,781,465	2,695,905	2,921,932
Net (Expense)/Revenue										
Governmental Activities	\$ (28,673,564)	\$ (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)
Business-Type Activities	39,195	(271,382)	(178,035)	(20,155)	41,316	18,215	35,812	(2,680)	15,565	61,200
Total District-wide Net Expense	\$ (28,634,369)	\$ (24,291,119)	\$ (23,337,483)	\$ (15,895,353)	\$ (15,740,201)	\$ (14,883,416)	\$ (15,278,623)	\$ (14,600,451)	\$ (14,588,301)	\$ (14,124,172)

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

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For:										
General Purposes	864,022	136,888	549,747	498,049	482,965	467,880	452,794	432,683	417,197	402,170
Debt Service	7,063,033	7,670,274	6,733,885	13,601	19,948	(355,057)	47,974	37,096	37,681	16,355
Federal and State Aid Not Restricted	42,970	49,483	14,125	44,372	68,822	51,493	57,723	61,593	57,281	65,935
Tuition Revenue	946,757	64,117	3,373	56,878	76,237	39,694	17,818	9,836	3,128	2,974
Investment Earnings	150,751	81,239	20,097	96,438	108,538	115,927	138,004	124,315	101,438	825,740
Miscellaneous Income						(18,487)				
NI Economic Development Authority Grants						(2,149,099)				
Donated Capital Assets										
Total Governmental Activities	26,602,578	25,325,516	24,305,065	17,087,472	16,793,865	13,647,797	15,905,927	15,559,133	15,372,079	15,627,308
Business-Type Activities:										
Investment Earnings										
Total Business-Type Activities										
Total District-wide	26,602,578	25,325,516	24,305,065	17,087,472	16,793,865	13,647,797	15,905,927	15,559,133	15,372,107	15,627,364
Change in Net Position										
Governmental Activities	(2,070,986)	1,305,779	1,145,617	1,212,274	1,012,348	(1,253,834)	591,492	961,362	768,213	1,441,936
Business-Type Activities	39,195	(271,382)	(178,035)	(20,155)	41,316	18,215	35,812	(2,680)	15,593	61,256
Total District	(2,031,791)	1,034,397	967,582	1,192,119	1,053,664	(1,235,619)	627,304	958,682	783,806	1,503,192

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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Restricted	\$ 6,019,779	\$ 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
Assigned	87,893	195,079	116,848	259,887	257,697	17,043	239,250	327,217	188,303	275,566
Unassigned	436,034	339,879	471,968	389,305	375,313	443,974	316,048	302,459	336,196	376,762
Total General Fund	\$ 6,543,706	\$ 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
All Other Governmental Funds										
Restricted	\$ 25,351,337	\$ 29,562,790	\$ 339,586	\$ 297,351	\$ 327,353	\$ 357,354	\$ 397,846	\$ 427,846	\$ 456,879	\$ 1,190,980
Assigned						34,547	43,630	43,630	504,908	
Reserved										
Total All Other Governmental Funds	\$ 25,351,337	\$ 29,562,790	\$ 339,586	\$ 297,351	\$ 327,353	\$ 391,901	\$ 441,476	\$ 471,476	\$ 961,787	\$ 1,190,980

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,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Local Sources:										
Local Tax Levy	\$ 18,399,067	\$ 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
Tuition (LEA's, Individuals, and Other)	42,970	49,483	14,125	44,372	68,822	51,493	57,723	61,593	57,281	65,935
Transportation Fees - Other LEAs	49,595	50,550	18,735	54,936	43,252	47,495	38,174	36,054	38,089	41,844
Interest in Investments	940,367	64,117	3,373	56,878	76,237	39,694	17,818	9,836	3,128	2,974
Other Restricted Miscellaneous Revenue	6,390	361	100	-	-	-	-	-	-	-
Unrestricted Miscellaneous Revenues	234,090	129,839	53,715	96,438	108,538	161,927	158,976	124,954	101,438	825,740
State Sources	6,196,308	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
Federal Sources	843,138	448,115	540,321	388,064	334,007	346,104	361,581	330,259	208,166	208,941
Total Revenues	26,711,925	23,913,745	22,813,551	21,432,243	20,810,816	19,715,118	18,327,017	17,915,189	17,468,348	18,122,984
Expenditures:										
Instruction:										
Regular	6,874,982	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
Special Education	1,789,797	1,678,013	1,652,514	1,707,639	1,305,695	1,245,156	971,921	973,669	988,696	927,105
Other Special Education	546,987	520,270	257,620	-	-	-	-	-	-	-
Other Instruction	85,789	83,096	23,021	587,203	569,883	502,058	513,367	504,587	535,081	484,947
Support Services:										
Tuition	895,302	676,399	894,418	887,915	875,784	641,829	615,711	591,177	635,545	647,843
Student and Instructional Related Services	2,332,531	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
School Administrative Services	725,953	734,739	715,345	710,878	668,558	654,314	631,656	685,127	681,071	651,185
General and Business Administration Services	933,692	936,835	808,704	843,056	800,543	821,370	757,449	714,891	710,056	714,533
Plant Operations and Maintenance	1,436,820	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
Pupil Transportation	968,420	674,503	558,349	467,100	546,204	505,249	464,443	444,582	411,570	457,933
Employee Benefits	7,467,578	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
Capital Outlay	5,065,830	375,874	496,108	352,810	341,514	355,905	762,279	769,271	857,932	554,465
Debt Service:										
Interest and Other Charges	755,023	32,888	57,747	82,759	106,084	129,222	151,672	173,334	194,209	213,984
Principal	150,000	145,000	533,000	525,000	510,000	495,000	480,000	460,000	445,000	430,000
Total Expenditures	30,028,704	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
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,316,779)	1,151,241	561,355	426,977	327,384	315,676	17,460	211,400	(231,442)	870,627
Other Financing Sources (Uses):										
Bond Principal	-	29,414,000	-	-	-	(18,487)	-	-	-	-
NJ Economic Development Authority Grants	41,000	41,000	41,000	36,801	35,878	49,314	37,489	33,124	356,630	758,560
Transfers In	(41,000)	41,000	41,000	(36,801)	(35,878)	(49,314)	(37,489)	(33,124)	(356,630)	(758,560)
Transfers Out	49,883	130,871	-	-	-	-	-	-	-	-
Unrealized Gain (Loss) on Investments	49,883	29,626,871	82,000	-	-	(18,487)	-	-	155,070	-
Total Other Financing Sources (Uses)	99,883	29,626,871	82,000	-	-	(18,487)	-	-	155,070	-
Net Change in Fund Balance	\$(3,266,896)	\$ 30,778,112	\$ 643,355	\$ 426,977	\$ 327,384	\$ 297,189	\$ 17,460	\$ 211,400	\$ (76,372)	\$ 870,627
Debt service as a percentage of noncapital expenditures	3.63%	0.79%	2.72%	2.94%	3.06%	3.28%	3.60%	3.74%	3.80%	3.86%
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	Rentals	Miscellaneous		Interest on Investments	Transportation		Annual Total
			Revenue			Fees - Other LEA's	Total	
2023	\$ 42,970	\$ 85,362	\$ 64,712	\$	175,872	\$ 49,595	\$	418,511
2022	49,483	36,275	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

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
2022	\$ 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	\$ 2,532,396,557	0.920
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

(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	
2022	0.865	0.055	0.920	0.591	0.677	0.276	2.464
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

(1) Revaluation effective

Source: Municipal Tax Collector

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

Taxpayer	2023		2013	
	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		
SHG Montvale MB I LLC	39,858,000	N/A		
SHG Montvale MB III LLC	39,003,600	N/A		
Montvale Dev. Group C/O Hekemian	36,993,600	N/A		
SHI-IV Thrive Montvale Owner LLC	36,380,400	N/A		Not Available
Terraza 18, LLC	36,000,000	N/A		
Grand Prix Montvale LLC c/o Ganghi	20,900,000	N/A		
Nottingham Court LLC	17,653,000	N/A		
Benjamin Moore & CO	16,000,000	N/A		
155 Montvale Partners c/o Gold	13,407,500	N/A		
Total	\$ 303,746,100	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	
2022	N/A	N/A	N/A	N/A	\$ -	N/A	
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%	

Source: Municipal Tax Collector

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

DEBT CAPACITY

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

Fiscal Year Ended June 30,	Governmental Activities				Bond		Business-Type Activities		Percentage of Personal Income	Total District	Per Capita
	General Obligation Bonds ^b	Certificates of Participation	Loans	Capital Leases	Anticipation Notes (BANS)	Capital Leases	Capital Leases				
2023	\$ 28,846,000	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	5.20%	28,846,000	\$ 3,423
2022	30,160,000	-	-	-	-	-	-	-	5.21%	30,160,000	3,574
2021	891,000	-	-	-	-	-	-	-	0.17%	891,000	104
2020	1,424,000	-	-	-	-	-	-	-	0.25%	1,424,000	166
2019	1,949,000	-	-	-	-	-	-	-	0.40%	1,949,000	228
2018	2,459,000	-	-	-	-	-	-	-	0.52%	2,459,000	287
2017	2,954,000	-	-	-	-	-	-	-	0.67%	2,954,000	351
2016	3,434,000	-	-	-	-	-	-	-	0.87%	3,434,000	412
2015	3,894,000	-	-	-	-	-	-	-	0.97%	3,894,000	474
2014	4,339,000	-	-	-	-	-	-	-	1.06%	4,339,000	534

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		
2023	\$ 28,846,000	\$ -	\$ 28,846,000	0.00%	\$ 3,423
2022	30,160,000	-	30,160,000	1.19%	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

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 County of Bergen - Borough share	3,954,903
\$855,378,427.00 at December 31, 2019 (1.260%)	
Bergen County Utilities Authority (Water Pollution) - Borough's share of \$132,517,773 at December 31, 2020 (1.224%)	19,495,775
	1,421,888
Total Direct and Overlapping Bonded Debt As of December 31, 2020	\$ 38,668,336

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

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

Legal Debt Margin Calculation for Fiscal Year 2023

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	28,846,000
Legal Debt Margin	<u>\$ 41,048,048</u>

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 41,048,048	\$ 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
Total Net Debt Applicable to Limit	28,846,000	30,160,000	891,000	1,424,000	1,949,000	2,459,000	2,954,000	3,434,000	3,894,000	4,339,000
Legal Debt Margin	<u>\$ 12,202,048</u>	<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>
Total Net Debt Applicable to the Limit	70.27%	75.90%	1.28%	2.08%	2.88%	3.69%	4.44%	5.06%	5.68%	6.33%
As a Percentage of Debt Limit										

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Year	Population	Per Capita		Unemployment Rate
		Personal Income	Personal Income	
2022	8,428	\$ 555,042,796	\$ 65,857	2.7%
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%

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 from census.gov 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	2023			2014		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
	-		0.00%	-		0.00%

Not Available

Not Available

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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction										
Regular	72.50	77.00	73.00	71.00	73.00	72.30	66.50	69.00	68.50	68.00
Special Education	57.00	45.00	49.00	48.50	44.00	42.00	40.50	33.70	33.70	33.20
Other Instruction	2.00	2.00	2.00	4.00	4.00	4.50	7.00	12.50	12.70	12.70
Support Services:										
Student and Instruction Related Services	7.50	8.50	7.00	8.00	7.00	7.00	8.00	8.14	8.14	7.57
School Administrative Services	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.88	8.88	8.88
General and Business Administration Services	4.50	4.50	4.50	4.50	4.50	4.50	4.50	3.98	3.98	3.98
Central Services	3.50	3.50	3.50	3.50	3.50	3.50	3.50	2.00	2.00	2.00
Administrative Information Technology	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.50	0.50	0.50
Plant Operations and Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	4.00	11.70	11.70	11.70
Total	160.00	153.50	152.00	152.50	149.00	146.80	144.00	150.40	150.10	148.53

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				
2023	976.0	\$ 24,057,851	\$ 24,649	4.35%	105	1:9	1:9	953.08	900.38	0.34%	94.47%
2022	942.0	22,208,742	23,576	4.70%	102	1:9	1:10	949.8	899.0	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%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>District Building</u>										
<u>Elementary School</u>										
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	521	510	483	518	520	541	526	530	559	552
<u>Middle School</u>										
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	432	435	452	469	449	454	467	474	497	491

Number of Schools at June 30, 2023

- 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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Memorial Elementary School	SP-3330-030-04-1000 SP-3330-030-09-1002	85,098	\$ 1,052,743	\$ 125,132	\$ 104,014	\$ 96,168	\$ 100,267	\$ 113,595	\$ 137,804	\$ 108,937	\$ 88,853	\$ 99,957	\$ 78,016
Fieldstone Middle School	SP-3330-020-04-1000 SP-3330-020-09-1001 SP-3330-020-10-1001	89,640	1,054,714	105,166	87,948	100,590	80,227	124,557	112,022	133,856	100,464	118,311	91,573
Grand Total		174,738	\$ 2,107,457	\$ 230,298	\$ 191,962	\$ 196,758	\$ 180,494	\$ 238,152	\$ 249,826	\$ 242,793	\$ 189,317	\$ 218,268	\$ 169,589

* 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, 2023
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		
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, 2023, 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 December 5, 2023.

Report on 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.

Report on 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 December 5, 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
December 5, 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 U.S. UNIFORM
GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the compliance of the Montvale Board of Education (School District), in the County of Bergen, State of New Jersey, with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and 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 federal and state programs for the year ended June 30, 2023. The School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Montvale Board of Education, in the County of Bergen, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Uniform Guidance and 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

MONTVALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	FAIN	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2022	Carryover/ (Valkov) Amount	Cash Received	Budgetary Expenditures	Adjustments	Employment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2023 Unexpended Revenue	Due to Grantor
Special Revenue Fund:													
U.S. Department of Education													
Passed-through State Department of Education													
Every Student Succeeds Act Cluster:													
84.010	S010A220030	ESSA - 3330 - 23	\$ 59,120	7/1/22 9/30/23	\$ -	\$ -	\$ 40,236	\$ (58,942)	\$ -	\$ -	\$ (18,706)	\$ -	\$ -
84.010	S010A210030	ESSA - 3330 - 22	63,767	7/1/21 9/30/22	(23,709)	-	23,709	(4,014)	-	-	(3,241)	-	-
84.365	S365A220030	ESSA - 3330 - 23	4,073	7/1/22 9/30/23	(3,661)	-	3,661	(22,800)	-	-	(6,800)	-	-
84.365	S365A210030	ESSA - 3330 - 22	7,965	7/1/21 9/30/22	(2,010)	-	16,000	(85,756)	-	-	(28,747)	-	-
84.367A	S367A220029	ESSA - 3330 - 23	25,633	7/1/22 9/30/23	(29,360)	-	86,389	-	-	-	-	-	-
84.367A	S367A210029	ESSA - 3330 - 22	29,863	7/1/21 9/30/22	-	-	-	-	-	-	-	-	-
Total Every Student Succeeds Act Cluster													
Special Education Cluster:													
84.027A	H027A20100	IDEA - 3330 - 23	201,965	7/1/22 9/30/23	(124,369)	-	127,547	(181,418)	-	-	(53,871)	-	-
84.027A	H027A210100	IDEA - 3330 - 22	204,252	7/1/21 9/30/22	(23,567)	-	124,369	-	-	-	-	-	-
84.027A	H027A20027	IDEA - 3330 - 23	39,653	7/1/22 9/30/23	(499)	-	1,684	(7,977)	-	-	(1,913)	-	-
84.173A	H173A210114	IDEA - 3330 - 22	7,066	7/1/21 9/30/22	(148,425)	-	282,036	(169,395)	-	-	(65,784)	-	-
84.425D	S425D200027	N/A	375,553	3/1/322 9/30/24	(39,814)	-	375,553	(375,553)	-	-	-	-	-
84.425D	S425D200027	N/A	415,367	3/1/321 9/30/23	(22,018)	-	38,814	(4,638)	-	-	-	-	-
84.425D	S425D210027	N/A	4,638	3/1/322 9/30/24	(45,000)	-	45,000	(775,875)	-	-	(770,075)	-	-
84.425D	S425D200027	N/A	26,656	3/1/321 9/30/23	(4,500)	-	45,000	(4,501)	-	-	(3,500)	-	-
84.425D	S425D200027	N/A	933,511	3/1/322 9/30/24	-	-	1,001	(17,674)	-	-	(15,962)	-	-
84.425U	S425U200027	N/A	4,501	3/1/322 9/30/24	(106,632)	-	45,000	(15,962)	-	-	(807,211)	-	-
84.425U	S425U200027	N/A	40,000	3/1/322 9/30/24	(284,637)	-	538,824	(1,239,203)	-	-	(891,742)	-	-
84.425U	S425U200027	N/A	40,000	3/1/322 9/30/24	-	-	907,249	(1,514,354)	-	-	(891,742)	-	-
84.425U	S425U200027	N/A	45,000	3/1/322 9/30/24	-	-	242	(4,803)	-	-	(262)	-	-
84.425U	S425U200027	N/A	45,000	3/1/322 9/30/24	-	-	4,783	(4,803)	-	-	(262)	-	-
Total Other Special Revenue Funds													
Total Special Revenue Fund													
Enterprise Fund:													
U.S. Department of Agriculture													
Passed-through State Department of Education													
10.556	231NJ304N1199	N/A	4,803	7/1/22 6/30/23	(242)	-	4,541	(4,803)	-	-	(262)	-	-
10.556	221NJ304N1099	N/A	4,122	7/1/21 6/30/22	-	-	242	-	-	-	-	-	-
Total Enterprise Fund/U.S. Department of Agriculture													
Total Federal Financial Awards													

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

MONTVALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Reversals of Prior Year's Balance	Balance at June 30, 2023		MEMO	
			From	To	Deferred Revenues (Accounts Receivable)	Due to Grantor					Unearned Revenues (Accounts Receivable)	Due to Grantor		
State Department of Education														
General Fund:														
State Aid-Public Cluster:														
Special Education Categorical Aid	23-495-034-5120-089	\$ 928,348	7/1/22	6/30/23	\$ -	\$ -	\$ 843,474	\$ (928,348)	\$ -	\$ -	\$ (84,874)	\$ -	\$ 84,874	\$ 928,348
Special Education Categorical Aid	22-495-034-5120-089	734,577	7/1/21	6/30/22	(88,956)	-	88,956	(18,499)	-	-	(1,692)	-	1,692	18,499
Security Aid	23-495-034-5120-084	18,499	7/1/22	6/30/23	(320)	-	320	(192,645)	-	-	(17,613)	-	17,613	192,645
Security Aid	22-495-034-5120-084	18,499	7/1/21	6/30/22	(2,457)	-	2,457	(1,139,492)	-	-	(104,179)	-	104,179	1,139,492
Transportation Aid	23-495-034-5120-014	192,645	7/1/22	6/30/23	(91,733)	-	1,127,046	(284,358)	-	-	(7,176)	-	7,176	284,358
Transportation Aid	22-495-034-5120-014	192,645	7/1/21	6/30/22	(6,960)	-	6,960	(847,402)	-	-	(3,225,771)	-	3,225,771	847,402
Other General Funds:														
Extracurricular Aid	23-495-034-5120-044	284,358	7/1/22	6/30/23	(6,960)	-	6,960	(674,994)	-	-	(1,152)	-	1,152	674,994
Nonpublic School Transportation Costs	23-495-034-5120-078	7,176	7/1/22	6/30/23	(6,960)	-	6,960	(5,040,553)	-	-	(358,427)	-	358,427	5,040,553
Nonpublic School Transportation Costs	22-495-034-5120-078	6,960	7/1/21	6/30/22	-	-	-	(6,180,345)	-	-	(462,606)	-	462,606	6,180,345
On-Behalf TPAF Post-Retirement Medical Contributions	23-495-034-5094-001	847,402	7/1/22	6/30/23	-	-	847,402	(21,749)	-	-	-	-	21,749	21,749
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	3,225,771	7/1/22	6/30/23	-	-	3,225,771	(6,660)	-	-	-	-	6,660	6,660
Reimbursed TPAF - Social Security	23-495-034-5094-003	674,994	7/1/22	6/30/23	-	-	608,101	(28,409)	-	-	-	-	28,409	28,409
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	1,152	7/1/22	6/30/23	-	-	4,689,386	(6,208,754)	-	-	(462,606)	-	462,606	6,208,754
Total Other General Funds					(98,693)	-	5,816,432	(6,180,345)	-	-	(462,606)	-	462,606	6,180,345
Total General Fund					(98,693)	-	5,816,432	(6,180,345)	-	-	(462,606)	-	462,606	6,180,345
Special Revenue Fund:														
SDA Grant/Emergent Needs and Capital Maintenance	23-XXX-XXX-XXXX-XXX	21,749	7/1/22	6/30/23	-	-	21,749	(21,749)	-	-	-	-	21,749	21,749
Climate Awareness Education Grant	23-E00115	6,660	7/1/22	6/30/23	-	-	6,660	(6,660)	-	-	-	-	6,660	6,660
Total Special Revenue Fund					-	-	28,409	(28,409)	-	-	-	-	28,409	28,409
Total State Financial Assistance					(98,693)	-	5,844,841	(6,208,754)	-	-	(462,606)	-	462,606	6,208,754
State Financial Assistance Not Subject to Major Program Determination:														
General Fund:														
On-Behalf TPAF Post-Retirement Medical Contributions	23-495-034-5094-001	847,402	7/1/22	6/30/23	-	-	(847,402)	847,402	-	-	-	-	-	(847,402)
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	3,225,771	7/1/22	6/30/23	-	-	(3,225,771)	3,225,771	-	-	-	-	-	(3,225,771)
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	1,152	7/1/22	6/30/23	-	-	(1,152)	1,152	-	-	-	-	-	(1,152)
Total On-Behalf TPAF Pension System Contributions					-	-	(4,074,325)	4,074,325	-	-	-	-	-	(4,074,325)
Total State Financial Assistance Subject to Major Program Determination					(98,693)	-	1,770,516	(2,134,429)	-	-	(462,606)	-	462,606	2,134,429

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, 2023**

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, 2023**

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$12,446) for the general fund and \$671,216 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	\$ -	\$ 6,167,899	\$ 6,167,899
Special Revenue Fund	843,138	28,409	871,547
Food Service Fund	4,803	-	4,803
Total Awards & Financial Assistance	<u>\$ 847,941</u>	<u>\$ 6,196,308</u>	<u>\$ 7,044,249</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, 2023.

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, 2023. 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, 2023.

**MONTVALE BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2023**

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>	\$ 58,942
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	<u>22,800</u>
 Total	 <u><u>\$ 81,742</u></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, 2023

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 No

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

Noncompliance material to basic financial statements noted? Yes No

Federal Awards

Internal control over compliance:

1) Material weakness(es) identified? Yes No

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

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

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance (section 510(a))? Yes No

Identification of major programs:

AL Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
		EDUCATION STABILIZATION FUND:
84.425D	S425D200027	CRRSA ESSER II Fund
84.425D	S425D210027	CRRSA ESSER II Fund Learning Acceleration
84.425U	S425U200027	ARP ESSER Fund
84.425U	S425U200027	ARP ESSER Fund Accelerated Learning Coach & Educator Support
84.425U	S425U200027	ARP ESSER Fund Evidence Based Summer Learning & Enrichment
84.425U	S425U200027	ARP ESSER Fund Evidence Based Comprehensive Beyond the School Day
84.425U	S425U200027	ARP ESSER Fund NJTSS Mental Health Support Staffing

MONTVALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Federal Awards (Continued)

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

Auditee qualified as low-risk auditee? Yes No

State Awards

Internal control over compliance:

1) Material weakness(es) identified? Yes No

2) Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes Reported None

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

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

Identification of major state programs:

GMIS Number(s)	Name of State Program
	STATE AID-PUBLIC CLUSTER:
23-495-034-5120-089	Special Education Categorical Aid
23-495-034-5120-084	Security Aid
23-495-034-5120-014	Transportation Aid
23-495-034-5094-003	Reimbursed TPAF - Social Security

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, 2023**

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, 2023**

***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, 2023**

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.