

MONTVALE BOARD OF EDUCATION

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2025

MONTVALE BOARD OF EDUCATION

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

***Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2025***

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT
OF THE
MONTVALE BOARD OF EDUCATION
MONTVALE, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025***

***Prepared by
Montvale Board of Education
Finance Department
And
Barre & Company LLC, CPAs***

STATE BOARD OF EDUCATION

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INTRODUCTORY SECTION



Montvale Board of Education

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

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

December 5, 2025

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, 2025 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, 2025, 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 2024-25 fiscal year with an average enrollment of 981.81 students, which was relatively flat 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. New residential developments have opened in the Borough of Montvale, which has driven changes in school enrollment numbers.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2024-2025	981.81	-0.01%
2023-2024	983.54	+3.20%
2022-2023	953.08	+0.34%
2021-2022	949.84	+2.24%
2020-2021	929.02	-5.84%

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 can be accommodated in the existing Memorial Elementary and Fieldstone Middle Schools for the upcoming school years as both schools have additional learning spaces available following renovations and additions to the schools.

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. These projects have enhanced the safety and security of the buildings, and provide students with outstanding learning environments. 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 30th.

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:**

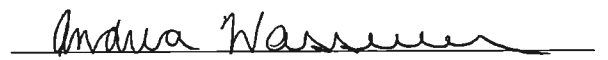
Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Accounting Firm Barre & Company, LLC was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also 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:**

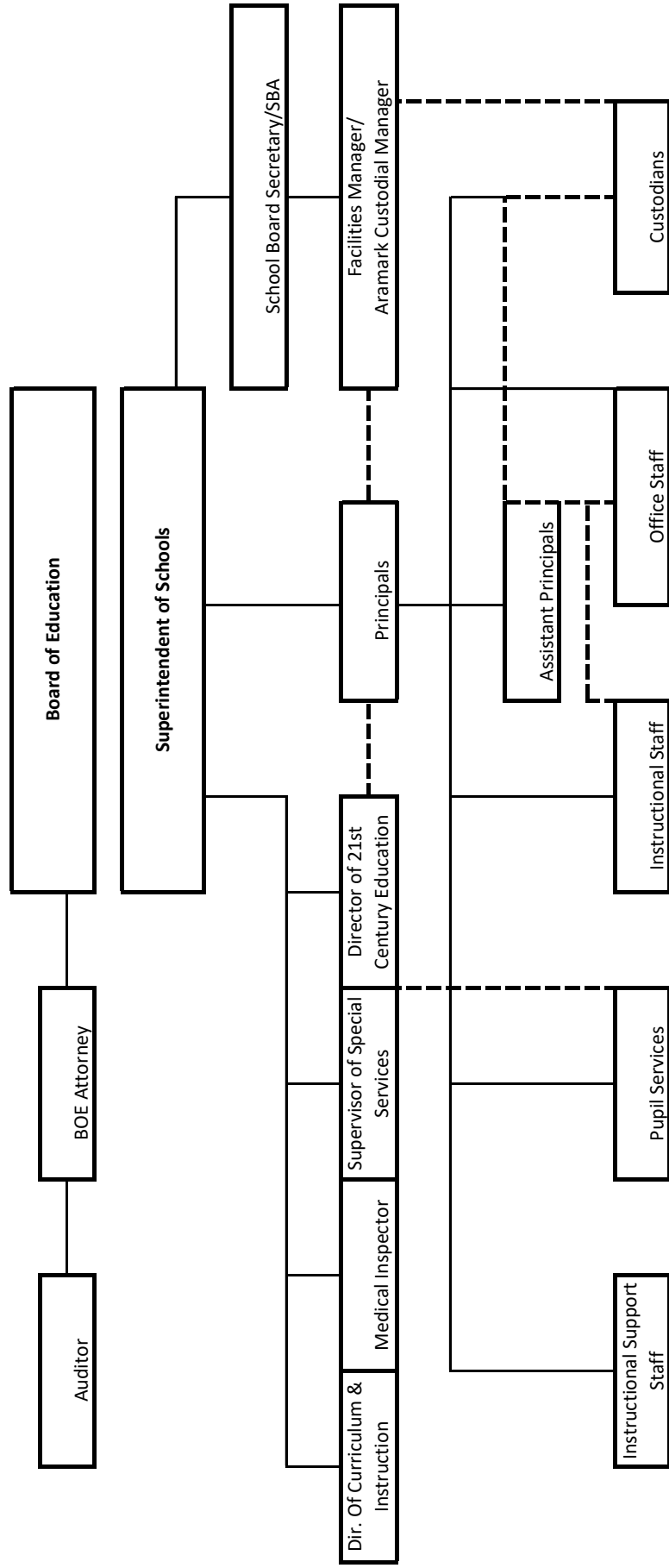
We would like to express our appreciation to the members of the Montvale Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation 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, 2025**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Alisha Foley, (President)	2025
John Carvelli, (Vice President)	2026
Rachel Baskin	2026
Anita Bagdat	2025
Chris Colla	2027
Dominic DiSalvo	2026
Zaheera Khan	2027

OTHER OFFICIALS

Dr. Daren Peterson, Superintendent

Mrs. Andrea Wasserman, School Business Administrator/Board Secretary

Fogarty, Hara, LaPira, & Cherry LLC, Solicitors

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

CONSULTANTS AND ADVISORS

ARCHITECT

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Oakland, NJ 07436

Audit Firm
AUDIT FIRM

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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, 2025, 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, 2025, 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, 2025 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, 2025

REQUIRED SUPPLEMENTARY INFORMATION – PART I

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
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, 2025. 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 (2024-2025) and the prior year (2023-2024) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2025 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 \$9,650,622 (net position).
- ❖ The District's overall net position decreased by \$8,920,322 or 92.43%.
- ❖ General revenues accounted for \$28,687,355 in revenue or 93% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,029,353 or 7% of total revenues of \$30,716,708.
- ❖ The School District had \$39,637,030 in expenses; with \$2,029,353 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$28,687,355 were not adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$26,083,758 in revenues and \$25,710,672 in expenditures and other financing sources. The General Fund's fund balance increased \$373,086 over 2024. 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.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED
(CONTINUED)**

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

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 2025?" 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, 2025
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, 2025
UNAUDITED
(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.

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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED
(CONTINUED)**

The School District as a Whole (Continued)

Table 1 provides a summary of the School District's net position for 2025 and 2024.

**Table 1
Net Position**

	2025	2024
Assets		
Current and Other Assets	\$ 14,925,287	\$ 26,729,512
Capital Assets	<u>25,351,165</u>	<u>25,628,358</u>
Total Assets	<u>40,276,452</u>	<u>52,357,870</u>
Deferred Outflows of Resources		
Pensions	<u>273,035</u>	<u>317,361</u>
Total Deferred Outflows of Resources	<u>273,035</u>	<u>317,361</u>
Liabilities		
Account and Other Payables	727,229	2,610,272
Other Current Liabilities	277,203	283,448
Long-Term Liabilities	<u>29,731,287</u>	<u>31,038,341</u>
Total Liabilities	<u>30,735,719</u>	<u>33,932,061</u>
Deferred Inflows of Resources		
Pensions	<u>163,146</u>	<u>172,226</u>
Total Deferred Inflows of Resources	<u>163,146</u>	<u>172,226</u>
Net Position		
Net Investment in Capital Assets	25,351,165	25,628,358
Restricted	13,489,753	23,403,177
Unrestricted	<u>(29,190,296)</u>	<u>(30,460,591)</u>
Total Net Position	<u>\$ 9,650,622</u>	<u>\$ 18,570,944</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED
(CONTINUED)**

The School District as a Whole (Continued)

The District's combined net position (deficit) were \$9,650,622 on June 30, 2025, and \$18,570,944 for 2024.

Table 2 shows changes in net position for fiscal years ended 2025 and 2024.

**Table 2
Changes in Net Position**

	2025	2024
Revenues		
Program Revenues:		
Charges for Services	\$ 589,289	\$ 615,567
Operating Grants and Contributions	1,440,064	1,219,653
General Revenues:		
Property Taxes	20,188,280	19,501,051
Grants and Entitlements	7,366,012	9,255,187
Other	<u>1,133,063</u>	<u>1,472,242</u>
Total Revenues	<u>30,716,708</u>	<u>32,063,700</u>
Program Expenses		
Instruction	9,826,969	9,756,317
Support Services:		
Tuition	1,250,139	1,089,065
Student and Instruction Related	105,136	327,029
General and Business Administrative	12,984,794	12,075,735
School Administrative	722,737	752,256
Plant Operations and Maintenance	1,527,344	1,477,185
Pupil Transportation	1,185,372	1,142,968
Capital Outlay	10,921,880	10,808,560
Interest on Long-Term Debt	687,842	714,661
Business-type activities:		
Milk Program	7,943	7,715
Montvale Summer Institute	13,857	12,525
Child Care	<u>403,017</u>	<u>365,344</u>
Total Program Expenses	<u>39,637,030</u>	<u>38,529,360</u>
Changes in Net Position	<u>\$ (8,920,322)</u>	<u>\$ (6,465,660)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
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 67% for 2025 and 62% for 2024 of revenues for governmental activities for the Montvale Board of Education. The District's total revenues were \$30,279,567 for the year ended June 30, 2025, and \$31,588,768 for 2024. Federal, state, and local grants accounted for another 30% for 2025 and 34% for 2024 of revenues which includes \$4,919,773 for 2025 and \$5,067,666 for 2024 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 \$39,212,213 for 2025 and \$38,143,776 for 2024. Instruction comprises 25% for 2025 and 26% for 2024 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 \$12,324 for 2025 and \$89,348 for 2024.
- ❖ Charges for services represent \$442,367 for 2025 and \$470,567 for 2024 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 \$4,774 for 2025 and \$4,365 for 2024.

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, 2025
UNAUDITED
(CONTINUED)**

Governmental Activities (Continued)

Table 3

	Total Cost of Services	
	2025	2024
Instruction	\$ 9,826,969	\$ 9,756,317
Support Services:		
Tuition	1,250,139	1,089,065
Student and Instruction Related	105,136	327,029
General and Business Administrative	12,984,794	12,075,735
School Administrative	722,737	752,256
Plant Operations and Maintenance	1,527,344	1,477,185
Pupil Transportation	1,185,372	1,142,968
Capital Outlay	10,921,880	10,808,560
Interest on Long-Term Debt	687,842	714,661
Total Expenses	\$ 39,212,213	\$ 38,143,776

	Net Cost of Services	
	2025	2024
Instruction	\$ 8,697,663	\$ 8,738,668
Support Services:		
Tuition	1,250,139	1,089,065
Student and Instruction Related	17,487	230,889
General and Business Administrative	12,984,794	12,075,735
School Administrative	722,737	752,256
Plant Operations and Maintenance	1,527,344	1,477,185
Pupil Transportation	820,115	896,469
Capital Outlay	10,921,880	10,808,560
Interest on Long-Term Debt	687,842	714,661
Total Expenses	\$ 37,630,001	\$ 36,783,488

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, 2025
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 \$28,939,919 for 2025 and \$30,897,899 for 2024 and expenditures were \$38,878,577 for 2025 and \$38,737,782 for 2024. The net change in fund balance for the year was a decrease of \$9,938,658 for 2025 and a decrease of \$7,839,883 for 2024. The negative change is most significant in the capital projects fund for 2025 and for 2024.

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, 2025, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2024	Percent of Increase/ (Decrease)
Local Sources	\$ 21,478,265	74.42%	\$ 359,972	1.70%
State Sources	7,101,900	24.60%	(1,209,255)	-14.55%
Federal Sources	283,935	0.98%	(939,922)	-76.80%
Total	<u>\$ 28,864,100</u>	<u>100.00%</u>	<u>\$ (1,789,205)</u>	

Local revenues increased by \$359,972. 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, 2025
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, 2025, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2024	Percent of Increase/ (Decrease)
Current Expense:				
Instruction	\$ 9,588,382	24.66%	\$ 67,730	0.71%
Undistributed	16,428,909	42.26%	356,657	2.22%
Capital Outlay	11,003,578	28.30%	(101,852)	-0.92%
Debt Service	1,857,708	4.78%	(181,740)	-8.91%
Total	<u>\$ 38,878,577</u>	<u>100.00%</u>	<u>\$ 140,795</u>	

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

General Fund Budgeting Highlights

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED
(CONTINUED)**

Capital Assets

The School District had \$25,349,592 at June 30, 2025 and \$25,625,211 at June 30, 2024 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 \$1,573 at June 30, 2025 and \$3,147 at June 30, 2024 invested in machinery and equipment. The table shows the balances of capital assets (net of depreciation) for fiscal years 2025 and 2024.

	2025				
	Beginning			Ending	
	Balance	Additions	Retirements	Balance	2024
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	14,130,145	-	-	14,130,145	14,130,145
Machinery and Equipment	826,430	5,879	-	832,309	826,430
Totals Capital Assets Being Depreciated	14,956,575	5,879	-	14,962,454	14,956,575
Less Accumulated Depreciation:					
Building and Building Improvements	7,489,454	233,487	-	7,722,941	7,489,454
Machinery and Equipment	654,510	48,011	-	702,521	654,510
Total Accumulated Depreciation	8,143,964	281,498	-	8,425,462	8,143,964
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	6,812,611	(275,619)	-	6,536,992	6,812,611
Government Activity Capital Assets, Net	<u>\$ 25,625,211</u>	<u>\$ (275,619)</u>	<u>\$ -</u>	<u>\$ 25,349,592</u>	<u>\$ 25,625,211</u>
Business-Type Activities:					
<i>Capital Assets Being Depreciated:</i>					
Machinery and Equipment	\$ 26,450	\$ -	\$ -	\$ 26,450	\$ 26,450
Less Accumulated Depreciation	23,303	1,574	-	24,877	23,303
Enterprise Fund Capital Assets, Net	<u>\$ 3,147</u>	<u>\$ (1,574)</u>	<u>\$ -</u>	<u>\$ 1,573</u>	<u>\$ 3,147</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 \$27,536,000 and \$28,696,000, compensated absences payable of \$281,985 and \$266,355, and net pension liability of \$1,913,302 and \$2,075,986 for the fiscal years ended June 30, 2025 and 2024, 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, 2025
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, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 9,791,122	\$ 263,511	\$ 10,054,633
Receivables, Net	1,419,062	2,295	1,421,357
Restricted Cash with Fiscal Agent	3,449,297		3,449,297
Capital Assets, Net			
Capital Assets, Being Depreciated	25,349,592	1,573	25,351,165
 Total Assets	 40,009,073	 267,379	 40,276,452
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	273,035		273,035
 Total Deferred Outflows of Resources	 273,035	 -	 273,035
LIABILITIES:			
Accounts Payable	726,477	752	727,229
Bond Interest Payable	255,049		255,049
Unearned Revenue	8,104	14,050	22,154
Long-Term Liabilities Other Than Pensions:			
Due Within One Year	1,226,040		1,226,040
Due Beyond One Year:			
Other Long-Term Liabilities	26,591,945		26,591,945
Aggregate Net Pension Liability	1,913,302		1,913,302
 Total Liabilities	 30,720,917	 14,802	 30,735,719
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	163,146		163,146
 Total Deferred Outflows of Resources	 163,146	 -	 163,146
NET POSITION (DEFICIT):			
Net Investment in Capital Assets	25,349,592	1,573	25,351,165
Restricted for:			
Capital Projects Fund	8,418,446		8,418,446
Unemployment Compensation	200,146		200,146
Debt Service Fund	-		-
Other Purposes	4,753,860		4,753,860
Student Activities	117,301		117,301
Unrestricted (Deficit)	(29,441,300)	251,004	(29,190,296)
 Total Net Position (Deficit)	 \$ 9,398,045	 \$ 252,577	 \$ 9,650,622

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, 2025

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes In Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:						
Instruction:						
Regular	\$ 7,074,061	\$ -	\$ -	\$ -	\$ (7,074,061)	\$ (7,074,061)
Special Education	2,062,890		1,129,306		(933,584)	(933,584)
Other Special Education	597,526				(597,526)	(597,526)
Other Instruction	92,492				(92,492)	(92,492)
Support Services:						
Tuition	1,250,139				(1,250,139)	(1,250,139)
Student and Instruction Related Services	105,136	87,649 *			(17,487)	(17,487)
School Administrative Services	722,737				(722,737)	(722,737)
General and Business Administrative Services	12,984,794				(12,984,794)	(12,984,794)
Plant Operations and Maintenance	1,527,344				(1,527,344)	(1,527,344)
Pupil Transportation	1,185,372	59,273	305,984		(820,115)	(820,115)
Capital Outlay	10,921,880				(10,921,880)	(10,921,880)
Interest on Long-Term Debt	687,842				(687,842)	(687,842)
Total Governmental Activities	39,212,213	146,922	1,435,290	-	(37,630,001)	(37,630,001)
BUSINESS-TYPE ACTIVITIES:						
Milk Program	7,943	4,856	4,774		1,687	1,687
Montvale Summer Institute	13,857	15,275			1,418	1,418
Child Care Program	403,017	422,236			19,219	19,219
Total Business-Type Activities	424,817	442,367	4,774	-	22,324	22,324
TOTAL PRIMARY GOVERNMENT	\$ 39,637,030	\$ 589,289	\$ 1,440,064	\$ -	\$ 22,324	\$ (37,607,677)
GENERAL REVENUES:						
Property Taxes Levied For:						
General Purposes				\$ 18,731,661	\$ -	\$ 18,731,661
Debt Service				1,456,619		1,456,619
Federal and State Aid Not Restricted				7,366,012		7,366,012
Investment Earnings - Unrestricted				808,878		808,878
Investment Earnings - Restricted				9,010 **		9,010
Tuition Revenue				30,000		30,000
Miscellaneous Income				295,175		295,175
Transfers					(10,000)	(10,000)
Total General Revenues				28,697,355	(10,000)	28,687,355
Change in Net Position					12,324	(8,920,322)
Net Position - July 1					240,253	18,570,944
Net Position - June 30				\$ 9,398,045	\$ 252,577	\$ 9,650,622

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

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

*** bond principal payment was reduced prematurely in prior years. 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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
ASSETS:					
Cash and Cash Equivalents	\$ 2,277,069 *	\$ 120,943 *	\$ 7,393,110	\$ -	\$ 9,791,122
Receivables From Other Governments	338,728	4,462	1,075,420		1,418,610
Other Receivables	452				452
Restricted Cash and Cash Equivalents	3,449,297				3,449,297
Total Assets	<u>\$ 6,065,546</u>	<u>\$ 125,405</u>	<u>\$ 8,468,530</u>	<u>\$ -</u>	<u>\$ 14,659,481</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 304,547	\$ -	\$ 50,084.00	\$ -	\$ 354,631
Payroll Deductions and Withholdings	73,211 **				73,211
Unearned Revenue		8,104			8,104
Unemployment Trust Fund Liability	107,033 ***				107,033
Total Liabilities	<u>484,791</u>	<u>8,104</u>	<u>50,084</u>	<u>-</u>	<u>542,979</u>
Fund Balances:					
Restricted For:					
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures	300,000				300,000
Reserved for Excess Surplus	300,000				300,000
Capital Reserve Account	3,737,730				3,737,730
Maintenance Reserve Account	315,071				315,071
Unemployment Compensation	200,146				200,146
Capital Projects Fund			8,418,446		8,418,446
Debt Service Fund				-	-
Student Activities		117,301			117,301
Assigned:					
Other Purposes	101,059				101,059
Designated for Subsequent Year's Expenditures	176,597				176,597
Unassigned:					
General Fund	450,152				450,152
Total Fund Balances	<u>5,580,755</u>	<u>117,301</u>	<u>8,418,446</u>	<u>-</u>	<u>14,116,502</u>
Total Liabilities and Fund Balances	<u>\$ 6,065,546</u>	<u>\$ 125,405</u>	<u>\$ 8,468,530</u>	<u>\$ -</u>	

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 \$33,775,054 and the accumulated depreciation is \$8,425,462.

25,349,592

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.

(29,731,287)

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:

(255,049)

Accrued pension contributions for the June 30, 2025 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.

(191,602)

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

273,035

Deferred inflows of resources related to pensions

(163,146)

Net Position (Deficit) of Governmental Activities

\$ 9,398,045

* 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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 18,731,661	\$ -	\$ -	\$ 1,456,619	\$ 20,188,280
Tuition	30,000				30,000
Transportation Fees	59,273				59,273
Interest Earned on Investments	274,176		534,702		808,878
Other Restricted Miscellaneous Revenues	9,010 *				9,010
Unrestricted Miscellaneous Revenues	231,827				231,827
Other Local Sources		150,997 **			150,997
Total Local Sources	19,335,947	150,997	534,702	1,456,619	21,478,265
State Sources	6,747,811			354,089	7,101,900
Federal Sources		283,935			283,935
Total Revenues	26,083,758	434,932	534,702	1,810,708	28,864,100
EXPENDITURES:					
Current:					
Instruction:					
Regular	6,523,032	313,677			6,836,709
Special Education	2,062,105				2,062,105
Other Special Education	597,526				597,526
Other	92,042				92,042
Support Services and Undistributed Costs:					
Tuition	1,250,139				1,250,139
Student and Instruction Related Services	2,377,031	95,320 ***			2,472,351
School Administrative Services	717,564				717,564
General and Business Administrative Services	1,007,691				1,007,691
Plant Operations and Maintenance	1,513,162				1,513,162
Pupil Transportation	1,185,372				1,185,372
Unallocated Employee Benefits	8,282,630				8,282,630
Capital Outlay	102,378		10,901,200		11,003,578
Debt Service:					
Principal				1,160,000	1,160,000
Interest and other Charges				697,708	697,708
Total Expenditures	25,710,672	408,997	10,901,200	1,857,708	38,878,577
Excess (Deficiency) of Revenues Over (Under) Expenditures	373,086	25,935	(10,366,498)	(47,000)	(10,014,477)
OTHER FINANCING SOURCES (USES):					
Interfund Transfers:					
Transfers In				47,000	47,000
Transfers Out			(47,000)		(47,000)
Unrealized Gains (Losses) From Investments			75,819		75,819
Total Other Financing Sources (Uses)	-	-	28,819	47,000	75,819
NET CHANGE IN FUND BALANCES	373,086	25,935	(10,337,679)	-	(9,938,658)
FUND BALANCES, JULY 1	5,207,669	91,366	18,756,125	-	24,055,160
FUND BALANCES, JUNE 30	\$ 5,580,755	\$ 117,301	\$ 8,418,446	\$ -	\$ 14,116,502

* 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, 2025

Total net change in fund balances - governmental funds (B-2)	\$	(9,938,658)
--	----	-------------

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	\$	(281,498)	
Capital Outlay		5,879	(275,619)

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.

1,160,000

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.

(15,630)

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.

9,866

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.

127,395

Change in net position of governmental activities

\$ (8,932,646)

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, 2025

	Business-Type Activities - Enterprise Fund			
	Milk Program	Summer Institute	Child Care	Totals
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	4,183	\$ 15,551	\$ 243,777	\$ 263,511
Receivables from Other Governments	365			365
Other Receivables			1,930	1,930
Total Current Assets	4,548	15,551	245,707	265,806
Noncurrent Assets:				
Furniture, Machinery and Equipment	26,450			26,450
Less: Accumulated Depreciation	(24,877)			(24,877)
Total Noncurrent Assets	1,573	-	-	1,573
Total Assets	6,121	\$ 15,551	\$ 245,707	\$ 267,379
LIABILITIES AND NET POSITION:				
Liabilities:				
Accounts Payable	416	\$ -	\$ 336	\$ 752
Unearned Revenue		14,050		14,050
Total Liabilities	416	14,050	336	14,802
Net Position:				
Net Investment in Capital Assets	1,573	-	-	1,573
Unrestricted	4,132	1,501	245,371	251,004
Total Net Position	5,705	1,501	245,371	252,577
Total Liabilities and Net Position	6,121	\$ 15,551	\$ 245,707	\$ 267,379

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, 2025

	Business-Type Activities - Enterprise Fund			
	Milk Program	Montvale		Totals
		Summer Institute	Child Care	
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Program (Reimbursable Program) Meals	4,856 \$	- \$	-	4,856
Daily Sales - Non-Program (Non-Reimbursable Program) Meals	-			-
Program Fees		15,275	422,236	437,511
Total Operating Revenues	4,856	15,275	422,236	442,367
OPERATING EXPENSES:				
Cost of Sales - Program (Reimbursable Program) Meals	6,021			6,021
Cost of Sales - Non-Program (Non-Reimbursable Program) Meals	-			-
Salaries		10,559	239,325	249,884
Support Services - Employee Benefits		298	40,080	40,378
Purchased Property Services		3,000	100,000	103,000
General Supplies and Materials	348		23,612	23,960
Depreciation Expense	1,574			1,574
Total Operating Expenses	7,943	13,857	403,017	424,817
OPERATING INCOME (LOSS)	(3,087)	1,418	19,219	17,550
NONOPERATING REVENUES:				
Federal Sources:				
Special Milk Program	4,774			4,774
Total Nonoperating Revenues (Expenses)	4,774	-	-	4,774
Change in Net Position Before Other Financing Sources	1,687	1,418	19,219	22,324
OTHER FINANCING SOURCES:				
Transfers Out	(10,000)			(10,000)
Total Other Financing Sources	(10,000)	-	-	(10,000)
CHANGE IN NET POSITION	(8,313)	1,418	19,219	12,324
TOTAL NET POSITION - JULY 1	14,018	83	226,152	240,253
TOTAL NET POSITION - JUNE 30	5,705 \$	1,501 \$	245,371 \$	252,577

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

MONTVALE BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Fund			
	Milk Program	Summer Institute	Child Care	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	4,700 \$	15,275 \$	420,306 \$	440,281
Cash Payments to Suppliers and Employees	(6,161)	(15,082)	(402,734)	(423,977)
Net Cash Provided By (Used In) Operating Activities	(1,461)	193	17,572	16,304
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash Received From State And Federal Reimbursements	4,774			4,774
Operating Transfers In - General Fund	(10,000)			(10,000)
Net Cash Provided By Noncapital Financing Activities	(5,226)	-	-	(5,226)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,687)	193	17,572	11,078
CASH AND CASH EQUIVALENTS, JULY 1	10,870	15,358	226,205	252,433
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 4,183	\$ 15,551	\$ 243,777	\$ 263,511
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Operating Income (Loss)	\$ (3,087)	1,418 \$	19,219 \$	17,550
Depreciation	1,574			1,574
Change In Assets And Liabilities:				
Increase In Receivables From Other Governments	(156)			(156)
Increase In Other Receivables			(1,930)	(1,930)
Increase In Accounts Payable	208		283	491
Decrease In Unearned Revenue		(1,225)		(1,225)
Net Cash Provided By (Used In) Operating Activities	\$ (1,461)	\$ 193	\$ 17,572	\$ 16,304

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, 2025**

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statement – Government-Wide Statements (Continued)

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

The net costs (by function or business-type 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 sets 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 combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the GASB criteria are applied to proprietary funds.

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, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

Governmental Fund Type (Continued)

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

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

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

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

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

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

Governmental Fund Type (Continued)

Fund Balances – Governmental Funds

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

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.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

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 accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Funds: The enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that the periodic 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.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

Fiduciary Fund Types (Continued)

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.

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.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

2. Modified Accrual:

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

3. Revenues:

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

Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and 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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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:

Total Revenues & Expenditures (Budgetary Basis)	\$ 412,997
Adjustments:	
Less Encumbrances at June 30, 2025	(4,000)
Plus Encumbrances at June 30, 2024	-
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 408,997</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.

MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Deposits and Investments (Continued)

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

2. Short-Term Interfund Receivables/Payables

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

3. Inventories

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

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

4. Capital Assets

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

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Capital Assets (Continued)

Land and Construction in Progress are not depreciated.

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

5. Compensated Absences:

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

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

6. Unearned Revenue

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

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 presentation.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Long-Term Obligations (Continued)

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

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.

H. New Accounting Standards

During fiscal year 2025, the School District has adopted the following GASB statements.

GASB Statement No. 101, *Compensated Absences*, was 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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards (Continued)

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.

GASB Statement No. 102, *Certain Risk Disclosures*, was effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a charter school vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a charter school's financial condition.

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

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective beginning with the fiscal year ending June 30, 2026. The objective of this Statement is to provide user of governmental financial statements with essential information about certain types of capital assets. The requirements of this Statement will improve financial reporting by provided users of the financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025**

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

Deposits Investments (Continued)

Deposits (Continued)

As of June 30, 2025, cash and cash equivalents of the District consisted of the following:

	General Fund	Special Revenue	Capital Projects	Proprietary Fund	Total
Operating Account	<u>\$ 5,726,366</u>	<u>\$ 120,943</u>	<u>\$ 7,393,110</u>	<u>\$ 263,511</u>	<u>\$13,503,930</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2025 was \$13,503,930 and the bank balance was \$6,517,067. 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, 2025, Montvale Board of Education's participation in the State of New Jersey Cash Management Fund amounted to \$2,023,853.

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, 2025**

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

Deposits 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 \$67,716,957 in investments at June 30, 2025.

NOTE 3: INTERFUND RECEIVABLES AND PAYABLES

Transfers between funds are used to repay expenses paid by another fund.

There were no interfund balances remained on the fund financial statements at June 30, 2025.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 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	18,812,600	-	-	18,812,600
<i>Capital Assets Being Depreciated:</i>				
Building and Building Improvements	14,130,145	-	-	14,130,145
Machinery and Equipment	826,430	5,879	-	832,309
Totals at Historical Cost	14,956,575	5,879	-	14,962,454
Less Accumulated Depreciation For:				
Building and Building Improvements	7,489,454	233,487	-	7,722,941
Machinery and Equipment	654,510	48,011	-	702,521
Total Accumulated Depreciation	8,143,964	281,498	-	8,425,462
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	6,812,611	(275,619)	-	6,536,992
Government Activity Capital Assets, Net	<u>\$ 25,625,211</u>	<u>\$ (275,619)</u>	<u>\$ -</u>	<u>\$ 25,349,592</u>
Business-Type Activities:				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	\$ 26,450	\$ -	\$ -	\$ 26,450
Less Accumulated Depreciation	(23,303)	(1,574)	-	(24,877)
Enterprise Fund Capital Assets, Net	<u>\$ 3,147</u>	<u>\$ (1,574)</u>	<u>\$ -</u>	<u>\$ 1,573</u>

Depreciation expense was charged to functions as follows:

Instruction Services	\$ 237,352
Special Education	785
Other Instruction	450
Student and Instruction Related Services	9,816
General and Business Administrative Services	13,740
School Administrative Services	5,173
Plant Operations and Maintenance	14,182
Total	<u>\$ 281,498</u>

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, 2025 were \$16,788. Future minimum lease payments are as follows:

MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5: LONG-TERM OBLIGATIONS (CONTINUED)

Operating Leases (Continued)

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

A. Long-Term Liabilities

Long-Term liability activity for the year ended June 30, 2025 was as follows:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Bonds Payable	\$ 28,696,000	\$ -	\$ 1,160,000	\$ 27,536,000	\$1,190,000
Compensated Absences Payable	266,355	61,825	46,195	281,985	36,040
Net Pension Liability	<u>2,075,986</u>	<u>28,915</u>	<u>191,599</u>	<u>1,913,302</u>	-
Total	<u>\$ 31,038,341</u>	<u>\$ 90,740</u>	<u>\$ 1,397,794</u>	<u>\$ 29,731,287</u>	<u>\$1,226,040</u>

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, 2025 consisted of the following:

<u>Descriptions</u>	<u>Interest</u> <u>Rate</u>	<u>Due</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Amount</u> <u>Issued</u>	<u>Amount</u> <u>Outstanding</u>
School Bonds of 2006	Various	11/15	2026	\$ 2,371,000	\$ 296,000
School Bonds of 2022	Various	8/15	2043	<u>29,414,000</u>	<u>27,240,000</u>
				<u>\$ 31,785,000</u>	<u>\$ 27,536,000</u>

MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5: LONG-TERM OBLIGATIONS (CONTINUED)

Long-Term Liabilities (Continued)

Bonds Payable (Continued)

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>
2026	\$ 150,000	\$ 8,950	\$ 164,988
2027	146,000	2,957	158,950
	<u>\$ 296,000</u>	<u>\$ 11,907</u>	<u>\$ 323,938</u>

School Bonds of 2022:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,040,000	\$ 662,220	\$ 1,692,720
2027	1,075,000	641,070	1,702,220
2028	1,240,000	617,920	1,716,070
2029	1,270,000	592,820	31,254,810
2030	1,320,000	567,170	31,254,810
Thereafter	<u>21,295,000</u>	<u>4,351,700</u>	<u>25,646,700</u>
	<u>\$ 27,240,000</u>	<u>\$ 7,432,900</u>	<u>\$ 93,267,330</u>

2. Temporary Notes

There are no Temporary Notes outstanding as of June 30, 2025.

3. Bonds Authorized But Not Issued

There were authorized but not issued bonds in the amount of \$640 as of June 30, 2025.

4. Capital Leases Payable

There were no Capital Leases as of June 30, 2025.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

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 \$315,071 as of June 30, 2025. 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, 2025 is \$600,000. The reserved fund balance of \$300,000 has been appropriated in the fiscal year 2024-2025 and \$300,000 will be appropriated in the fiscal year 2025-2026.

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, 2025

NOTE 6: FUND EQUITY (CONTINUED)

Capital Reserve Account (Continued)

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

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	-
2023-2024	Investment Income	175,530
	Budget (Unreserved Fund Balance)	451,456
	Budget Withdrawal	(2,013,130)
2024-2025	Investment Income	118,799
	Budget (Unreserved Fund Balance)	779,450
	Budget Withdrawal	<u>(400,000)</u>
	Balance June 30, 2025	<u><u>3,913,676</u></u>

The June 30, 2025 LRFP balance of local support costs of uncompleted capital projects at Montvale Board of Education is \$18,756,125.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

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

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Vesting and Benefit Provisions (Continued)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, 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 \$191,600 for fiscal year 2025.

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, the School District reported a liability of \$1,913,302 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2023 which was rolled forward to June 30, 2024. 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, 2024 measurement date, the School District's proportion was 0.0140807759%, which was a decrease of 0.0002518162% from its proportion measured as of June 30, 2023 of 0.0143325921%.

For the fiscal year ended June 30, 2025, the School District recognized pension expense of \$64,204, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2024 measurement date.

At June 30, 2025, 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	\$ 38,327	\$ 5,094
Changes in Assumptions	2,377	21,769
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	88,715
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	40,729	47,568
School District Contributions Subsequent to the Measurement Date	<u>191,602</u>	<u>-</u>
	<u>\$ 273,035</u>	<u>\$ 163,146</u>

\$191,602, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2026.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

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
2025	\$ (81,234)
2026	62,857
2027	(36,163)
2028	(20,876)
2029	542
	<u><u>\$ (74,874)</u></u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 years for the 2024, 2023, 2022, 2021, 2020, and 2019, respectively.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2019	-	5.21 years
June 30, 2020	5.16 years	-
June 30, 2021	5.13 years	-
June 30, 2022	-	5.04 years
June 30, 2023	5.08 years	-
June 30, 2024	5.08 years	-
Changes in Assumptions		
Year of Pension Plan Deferral:		
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, 2020	5.00 years	-
June 30, 2021	5.00 years	-
June 30, 2022	5.00 years	-
June 30, 2023	5.00 years	-
June 30, 2024	5.00 years	-

Actuarial Assumptions

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2023. 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, 2024. These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Source: 2020 KPMG PERS Audit page 85 (Same for All Schools)

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.

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, 2024) 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, 2024 are summarized in the following table:

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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. 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, 2024, 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:

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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

Measurement Date June 30, 2024			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 2,563,708	\$ 1,929,408	\$ 1,389,621

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.

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7: PENSION PLANS (CONTINUED)

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

Vesting and Benefit Provisions (Continued)

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 $1/55^{\text{th}}$ 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 age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to 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.

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 2024, the State's pension contribution was less than the actuarially determined amount.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7: PENSION PLANS (CONTINUED)

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

Contributions (Continued)

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, 2025, the State of New Jersey contributed \$405,222 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, 2025, 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>39,400,594</u>
Total	<u><u>\$ 39,400,594</u></u>

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2023. 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, 2024. For the June 30, 2024 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, 2024, School District's proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2024 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.0797177715%, which was an increase of 0.0023989893% from its proportion measured as of June 30, 2023 of 0.0778273642%.

For the fiscal year ended June 30, 2025, the School District recognized (\$143,727) 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, 2024 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, 2024:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 671,623,600	\$ 9,874,858,005
Difference Between Expected and Actual Experience	436,488,877	266,879,466
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>-</u>	<u>403,364,319</u>
	<u><u>\$ 1,108,112,477</u></u>	<u><u>\$ 10,545,101,790</u></u>

MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7: PENSION PLANS (CONTINUED)

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 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
June 30, 2023	7.93 years	-
June 30, 2024	-	7.84 years
Changes in Assumptions		
Year of Pension Plan Deferral:		
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, 2020	-	5.00 years
June 30, 2021	-	5.00 years
June 30, 2022	-	5.00 years
June 30, 2023	-	5.00 years
June 30, 2024	-	5.00 years

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:

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

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)**

Fiscal Year Ending June 30,	Total
2025	\$ (3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	(34,177,408)
	<u>\$ (9,436,989,313)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2023. 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, 2024. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

Source: 2020 KPMG TPAF Audit page 8 (Same for All Schools)

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%

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7: PENSION PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

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, 2024) 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 TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7: PENSION PLANS (CONTINUED)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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.

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, 2024, 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, 2024		
	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	45,784,542	38,518,375	32,398,889
	<u>\$ 45,784,542</u>	<u>\$ 38,518,375</u>	<u>\$ 32,398,889</u>

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7: PENSION PLANS (CONTINUED)

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

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.

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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7: PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP) (Continued)

Vesting and Benefit Provisions

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.

For DCRP, the School District recognized \$19,993 pension expense for the fiscal year ended June 30, 2025. There were \$30,783 employee contributions to DCRP for the fiscal year ended June 30, 2025.

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, 2024. 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.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)

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.

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, 2023:

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)

Plan Membership (Continued)

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	<u>-</u>
Total Plan Members	<u>372,741</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.

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, 2024 is \$59,650,630,530, 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, 2023 which were rolled forward to June 30, 2024.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

In the June 30, 2023 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 \$1.50 billion to the OPEB plan in fiscal year 2024.

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, 2025, 2024, and 2023 were \$952,270, \$935,094 and \$847,402, 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

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)

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

contributions to the plan during the measurement period July 01, 2023 through June 30, 2024. Non-employer allocation percentages have been rounded for presentation purposes.

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, 2024, 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	\$ 6,378,932,312	\$ 11,139,706,892
Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumptions Changes	<u>10,004,978,073</u>	<u>11,662,607,882</u>
Sub Total	16,383,910,385	22,802,314,774
Contributions Made in Fiscal Year Ending 2024 After June 30, 2023 Measurement Date	TBD	Not Available
Total	<u><u>\$ 16,383,910,385</u></u>	<u><u>\$ 22,802,314,774</u></u>

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:

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)

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

Measurement Period Ending June 30,	Total
2025	\$ (2,115,877,507)
2026	(1,774,175,666)
2027	(842,677,045)
2028	221,470,185
2029	(1,537,725,697)
Total Thereafter	(369,418,659)
	<u>\$ (6,418,404,389)</u>

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,415,467. 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, 2025, the State's proportionate share of the OPEB liability attributable to the District is \$38,706,720. 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, 2024 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2024. At June 30, 2024, the state's share of the OPEB liability attributable to the District was 0.0648890375%, which was an increase of 0.0006245686% from its proportionate share measured as of June 30, 2023 of 0.0642644689%.

Actuarial Assumptions

The OPEB liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability \$ 59,650,630,530

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75% to 5.65% based on service years	2.75% to 6.55% based on service years	3.25% to 16.25% based on service years

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

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

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

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 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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>
2025	June 30, 2024	3.93%
2024	June 30, 2023	3.65%

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.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)

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, 2025 (measurement date June 30, 2024) is as follows:

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

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, 2024. 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, 2024 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 3.93%, 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 (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	Measurement Date June 30, 2024		
	At Current		
	At 1% Decrease (2.93%)	Discount Rate (3.93%)	At 1% Increase (4.93%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 45,333,859	\$ 38,706,720	\$ 33,377,125

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:

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8: POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)

Sensitivity of OPEB Liability (Continued)

Measurement Date June 30, 2024

	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 32,242,980	\$ 38,706,720	\$ 47,126,168

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024 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.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9: DEFERRED COMPENSATION PLAN (CONTINUED)

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.

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.

**MONTVALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

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.

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, 2025, 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, 2025, 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, 2025

C-1
Sheet 1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 18,731,661	\$ -	\$ 18,731,661	\$ 18,731,661	\$ -
Tuition - Other LEA's	18,000		18,000	30,000	12,000
Transportation Fees from Other LEA's	39,000		39,000	59,273	20,273
Rentals	75,000		75,000	125,000	50,000
Earnings on Investments	30,000		30,000	148,230	118,230
Interest on Investments - Maintenance Reserve	1		1	7,147	7,146
Interest on Investments - Capital Reserve	500		500	118,799	118,299
Unrestricted Miscellaneous Revenues	3,500		3,500	106,827	103,327
Other Restricted Miscellaneous Revenues				9,010 *	9,010
Total Local Sources	18,897,662	-	18,897,662	19,335,947	438,285
State Sources:					
Transportation Aid	314,611		314,611	314,611	-
Special Education Categorical Aid	1,135,609		1,135,609	1,135,609	-
Extraordinary Aid	125,000		125,000	291,394	166,394
Security Aid	95,241		95,241	95,241	-
Other Unrestricted State Aid				11,208	11,208
Menstrual Product Grant				1,762	1,762
On-Behalf TPAF Pension Aid				3,258,957	3,258,957
Reimbursed TPAF Social Security Aid				707,144	707,144
On-Behalf TPAF Post-Retirement Medical Aid				952,270	952,270
On-Behalf TPAF Long-Term Disability Insurance Aid				1,402	1,402
Total State Sources	1,670,461	-	1,670,461	6,769,598	5,099,137
TOTAL REVENUES	20,568,123	-	20,568,123	26,105,545	5,537,422
EXPENDITURES:					
Current Expenses:					
Instruction:					
Regular Programs:					
Salaries of Teachers:					
Preschool	45,224	4,500	49,724	47,262	2,462
Kindergarten	615,771	2,505	618,276	615,319	2,957
Grades 1-5	3,361,937	(56,700)	3,305,237	3,229,766	75,471
Grades 6-8	2,217,388	1,100	2,218,488	2,209,821	8,667
Total Regular Programs - Instruction	6,240,320	(48,595)	6,191,725	6,102,168	89,557
Regular Programs - Home Instruction:					
Salaries of Teachers	1,000		1,000		1,000
Purchased Prof/Ed Services	2,000	7,000	9,000	3,110	5,890
Total Regular Programs - Home Instruction	3,000	7,000	10,000	3,110	6,890
Regular Programs - Undistributed Instruction:					
Other Salaries for Instructions	141,929		141,929	125,118	16,811
Purchased Prof/Ed Services	59,000	(20,000)	39,000	33,249	5,751
Purchased Technical Services	5,000	(5,000)	-		-
Other Purchased Services	27,000	(8,000)	19,000	16,787	2,213
General Supplies	257,502	9,995	267,497	240,711	26,786
Textbooks	5,000	(1,500)	3,500	1,243	2,257
Miscellaneous Expenditures		5,000	5,000	646	4,354
Total Regular Programs - Undistributed Instruction	495,431	(19,505)	475,926	417,754	58,172
Total Regular Programs	6,738,751	(61,100)	6,677,651	6,523,032	154,619
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	201,683	25,700	227,383	227,299	84
Other Salaries for Instruction	197,539	43,800	241,339	241,091	248
Purchased Prof/Ed Services	1,000		1,000		1,000
General Supplies	4,815	(2,700)	2,115	378	1,737
Total Learning and/or Language Disabilities	405,037	66,800	471,837	468,768	3,069
Resource Room/Resource Center:					
Salaries of Teachers	1,274,074		1,274,074	1,224,706	49,368
General Supplies	8,095	(2,000)	6,095	4,491	1,604
Total Resource Room/Resource Center	1,282,169	(2,000)	1,280,169	1,229,197	50,972

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

MONTVALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

C-1
Sheet 2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 75,115	\$ 1,500	\$ 76,615	\$ 75,272	\$ 1,343
Other Salaries for Instruction	57,743		57,743	57,256	487
Purchased Prof/Ed Services	500		500		500
General Supplies	2,150		2,150	1,428	722
Total Preschool Disabilities - Part-Time	135,508	1,500	137,008	133,956	3,052
Preschool Disabilities - Full-Time:					
Salaries of Teachers	109,009	1,600	110,609	109,363	1,246
Other Salaries for Instruction	222,131	(32,100)	190,031	117,653	72,378
Purchased Prof/Ed Services	500		500		500
General Supplies	3,365		3,365	3,168	197
Total Preschool Disabilities - Full-Time	335,005	(30,500)	304,505	230,184	74,321
Home Instruction:					
Salaries of Teachers	5,000		5,000		5,000
Purchased Prof/Ed Services	1,000		1,000		1,000
Total Home Instruction	6,000	-	6,000	-	6,000
Basic Skills/Remedial:					
Salaries of Teachers	534,931	(11,600)	523,331	504,241	19,090
General Supplies	1,400		1,400	1,010	390
Total Basic Skills/Remedial	536,331	(11,600)	524,731	505,251	19,480
Bilingual Education:					
Salaries of Teachers	125,307	(25,000)	100,307	91,631	8,676
General Supplies	2,000		2,000	644	1,356
Total Bilingual Education	127,307	(25,000)	102,307	92,275	10,032
Total Special Education	2,827,357	(800)	2,826,557	2,659,631	166,926
Other Instructional Programs:					
School-Sponsored Co-Curricular and Extra-Curricular Activities:					
Salaries	52,000	3,500	55,500	50,346	5,154
Purchased Services	750	700	1,450	580	870
Supplies and Materials	4,000	(1,700)	2,300	1,281	1,019
Total School-Sponsored Co-Curricular and Extra-Curricular Activities	56,750	2,500	59,250	52,207	7,043
School-Sponsored Athletics:					
Salaries	43,000	(3,500)	39,500	31,783	7,717
Purchased Services	8,000		8,000	5,000	3,000
Supplies and Materials	4,000		4,000	3,052	948
Total School-Sponsored Athletics	55,000	(3,500)	51,500	39,835	11,665
Total Other Instructional Programs	111,750	(1,000)	110,750	92,042	18,708
Total Instruction	9,677,858	(62,900)	9,614,958	9,274,705	340,253
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special Education	474,419	119,666	594,085	589,111	4,974
Tuition to County Special Services					
Districts and Regional Day School Within the State	511,814	(38,533)	473,281	472,489	792
Tuition to Private Schools for the Disabled Within the State	45,540	142,782	188,322	186,372	1,950
Tuition - Other	5,000	(2,833)	2,167	2,167	-
Total Instruction	1,036,773	221,082	1,257,855	1,250,139	7,716
Attendance and Social Work Services:					
Salaries	13,189	50	13,239	13,234	5
Purchased Prof/Tech Services	18,550	(50)	18,500	17,716	784
Supplies and Materials	50		50		50
Total Attendance and Social Work Services	31,789	-	31,789	30,950	839
Health Services:					
Salaries	197,773	(1,700)	196,073	190,333	5,740
Purchased Prof/Tech Services	121,100	(14,700)	106,400	105,643	757
Other Purchased Services	400	(400)	-		-
Supplies and Materials	4,000	1,000	5,000	3,453	1,547
Supplies - Menstrual Products		1,800	1,800	1,763	37
Total Health Services	323,273	(14,000)	309,273	301,192	8,081

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

MONTVALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

C-1
Sheet 3

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Other Support Services Students - OT, PT, and Related Services:					
Salaries	\$ 303,458	\$ 2,000	\$ 305,458	\$ 305,099	\$ 359
Purchased Prof/Ed Services	125,000	(18,900)	106,100	101,369	4,731
Supplies and Materials	5,000	(1,200)	3,800	3,726	74
Total Other Support Services Students - OT, PT, and Related Services	433,458	(18,100)	415,358	410,194	5,164
Other Support Services Students - Extraordinary Services:					
Salaries	186,223	(14,100)	172,123	166,674	5,449
Purchased Prof/Ed Services	240,000	(6,700)	233,300	232,790	510
Supplies and Materials	1,000	2,000	3,000	2,598	402
Total Other Support Services Students - Extraordinary Services	427,223	(18,800)	408,423	402,062	6,361
Other Support Services Students - Regular Services (Guidance):					
Salaries of Other Professional Staff	280,694		280,694	278,564	2,130
Purchased Prof/Ed Services	500		500		500
Supplies and Materials	3,300	(2,000)	1,300	570	730
Total Other Support Services Students - Regular Services (Guidance)	284,494	(2,000)	282,494	279,134	3,360
Other Support Services Students - Special Services (Child Study Teams):					
Salaries of Other Professional Staff	375,320	(35,000)	340,320	321,276	19,044
Salaries of Secretarial and Clerical Assistants	69,643		69,643	68,595	1,048
Purchased Prof/Ed Services	80,000	64,500	144,500	130,811	13,689
Other Purchased Prof/Tech Services	30,000	9,950	39,950	39,764	186
Other Purchased Services	5,500	(2,000)	3,500	1,544	1,956
Supplies and Materials	10,000	1,500	11,500	11,282	218
Total Other Support Services Students - Special Services (Child Study Teams)	570,463	38,950	609,413	573,272	36,141
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	190,790	(529)	190,261	190,261	-
Salaries of Other Professional Staff	18,000	(1,471)	16,529	13,947	2,582
Salaries of Secretarial and Clerical Assistants	32,434	500	32,934	32,865	69
Purchased Prof/Ed Services	25,000		25,000	24,570	430
Other Purchased Services	2,500		2,500	1,465	1,035
Supplies and Materials	250		250		250
Total Improvement of Instruction Services	268,974	(1,500)	267,474	263,108	4,366
Educational Media/Library:					
Salaries	102,314	(3,000)	99,314	89,825	9,489
Purchased Prof/Tech Services	10,000	1,300	11,300	9,079	2,221
Supplies and Materials	16,500	(1,300)	15,200	12,690	2,510
Total Educational Media/Library	128,814	(3,000)	125,814	111,594	14,220
Instructional Staff Training Services:					
Salaries of Other Professional Staff	3,150		3,150	105	3,045
Purchased Prof/Ed Services	9,000	(6,000)	3,000	474	2,526
Other Purchased Services	20,000	(10,500)	9,500	4,946	4,554
Supplies and Materials	2,200	(1,000)	1,200		1,200
Total Instructional Staff Training Services	34,350	(17,500)	16,850	5,525	11,325
Support Services General Administration:					
Salaries	346,244	50	346,294	346,279	15
Legal Fees	33,000		33,000	19,537	13,463
Audit Fees	31,000	41,208	72,208	72,208	-
Other Purchased Professional Fees	19,000	(11,653)	7,347	2,650	4,697
Purchased Technical Services	22,000	(400)	21,600	19,605	1,995
Communications/Telephone	22,000	1,400	23,400	22,151	1,249
BOE Other Purchased Services	12,000	(1,250)	10,750	8,864	1,886
Other Purchased Services	5,000	(1,600)	3,400	2,116	1,284
General Supplies	2,000		2,000	1,611	389
BOE In-House Training/Meeting Supplies	500	(200)	300	120	180
Miscellaneous Expenditures	1,300	1,050	2,350	1,973	377
BOE Membership Dues and Fees	8,600		8,600	8,599	1
Total Support Services General Administration	502,644	28,605	531,249	505,713	25,536

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

MONTVALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

C-1
Sheet 4

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	\$ 487,634	\$ (40,000)	\$ 447,634	\$ 442,214	\$ 5,420
Salaries of Other Professional Staff	80,121		80,121	79,371	750
Salaries of Secretarial and Clerical Assistants	181,123	(800)	180,323	179,527	796
Purchased Prof/Tech Services	3,300	70	3,370	3,359	11
Other Purchased Services	10,000	(1,900)	8,100	5,385	2,715
Supplies and Materials	8,100	(2,320)	5,780	4,780	1,000
Other Objects	3,500		3,500	2,928	572
Total Support Services School Administration	773,778	(44,950)	728,828	717,564	11,264
Central Services:					
Salaries	399,441	600	400,041	400,018	23
Purchased Professional Services	8,000	(1,100)	6,900	6,257	643
Miscellaneous Purchased Services	5,000	(3,000)	2,000	1,583	417
Supplies and Materials	5,000	(1,400)	3,600	3,162	438
Total Central Services	417,441	(4,900)	412,541	411,020	1,521
Administrative Information Technology Services:					
Salaries	65,866	3,100	68,966	68,813	153
Purchased Technical Services	15,000	6,400	21,400	21,223	177
Supplies and Materials		950	950	922	28
Total Administrative Information Technology Services	80,866	10,450	91,316	90,958	358
Required Maintenance for School Facilities:					
Salaries	96,703	51	96,754	95,771	983
Cleaning, Repair and Maintenance Services	85,000	(11,400)	73,600	63,467	10,133
General Supplies	4,000	9,150	13,150	10,746	2,404
Other Objects	2,000	(800)	1,200	475	725
Total Required Maintenance for School Facilities	187,703	(2,999)	184,704	170,459	14,245
Custodial Services:					
Salaries	192,028	(51,101)	140,927	110,946	29,981
Cleaning, Repair and Maintenance Services	656,000	36,860	692,860	669,200	23,660
Other Purchased Property Services	16,500	3,745	20,245	18,739	1,506
Insurance	165,000	(12,400)	152,600	152,586	14
Miscellaneous Purchased Services	1,500	(1,000)	500	150	350
General Supplies	45,000	20,900	65,900	60,772	5,128
Energy (Heat and Electricity)	132,500	48,550	181,050	180,146	904
Energy (Natural Gas)	110,500	(2,050)	108,450	79,438	29,012
Other Objects	1,000		1,000		1,000
Total Custodial Services	1,320,028	43,504	1,363,532	1,271,977	91,555
Care and Upkeep Grounds:					
Cleaning, Repair and Maintenance Services	57,500	100	57,600	51,021	6,579
General Supplies	3,000	(705)	2,295	784	1,511
Total Care and Upkeep Grounds	60,500	(605)	59,895	51,805	8,090
Security:					
Cleaning, Repair and Maintenance Services	20,000	(10,600)	9,400	8,368	1,032
General Supplies	2,000	8,594	10,594	10,553	41
Total Security	22,000	(2,006)	19,994	18,921	1,073
Student Transportation Services:					
Salaries for Pupil Transportation (B/T Home & School) - Regular	10,417		10,417	9,962	455
Contracted Services - Aid In Lieu of Payment for Non-public School Students	25,000	2,700	27,700	27,659	41
Contracted Services - Transportation (B/T Home & School) - Vendors	530,000		530,000	529,715	285
Contracted Services - Transport (Other Than B/T Home & School) - Vendors	20,000	(17,800)	2,200	2,047	153
Contracted Services (Special Ed Students) - Joint Agreements	510,000	106,700	616,700	615,989	711
Total Student Transportation Services	1,095,417	91,600	1,187,017	1,185,372	1,645
Unallocated Employee Benefits:					
Group Insurance	3,000		3,000	2,968	32
Social Security Contribution	185,000	14,600	199,600	199,552	48
Other Retirement Contributions - PERS/DCRP	230,000	(18,000)	212,000	211,595	405
Unemployment Compensation	5,000	(5,000)	-	-	-
Workmen's Compensation	70,000	5,600	75,600	75,544	56
Health Benefits	3,023,452	(202,182)	2,821,270	2,820,426	844
Unused Sick Payments to Terminated Employees	20,000	16,100	36,100	36,040	60
Tuition Reimbursement	25,500	(9,100)	16,400	16,332	68
Other Employee Benefits	2,000	(1,000)	1,000	400	600
Total Unallocated Employee Benefits	3,563,952	(198,982)	3,364,970	3,362,857	2,113

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

MONTVALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

C-1
Sheet 5

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Contributions:					
On-Behalf TPAF Pension Contributions (Non-Budgeted)	\$ -	\$ -	\$ -	\$ 3,258,957	\$ (3,258,957)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				707,144	(707,144)
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)				952,270	(952,270)
On-Behalf TPAF Long-Term Disability Insurance Contributions (Non-Budgeted)				1,402	(1,402)
Total Contributions	-	-	-	4,919,773	(4,919,773)
Total Undistributed Expenditures	11,563,940	104,849	11,668,789	16,333,589	(4,664,800)
Total Expenditures - Current Expense	21,241,798	41,949	21,283,747	25,608,294	(4,324,547)
Capital Outlay:					
Equipments:					
Facilities Acquisition and Construction Services:					
Other Purchased Prof/Tech Services	20,000		20,000		20,000
Construction Services	380,000		380,000	73,985	306,015
Other Objects	28,393		28,393	28,393	-
Total Capital Outlay	428,393	-	428,393	102,378	326,015
Total Expenditures - General Fund	21,670,191	41,949	21,712,140	25,710,672	(3,998,532)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,102,068)	(41,949)	(1,144,017)	394,873	1,538,890
FUND BALANCES, JULY 1	5,329,150	-	5,329,150	5,329,150	-
FUND BALANCES, JUNE 30	\$ 4,227,082	\$ (41,949)	\$ 4,185,133	\$ 5,724,023	\$ 1,538,890
(Continued from Prior Page)					
RECAPITULATION:					
Restricted For:					
Excess Surplus				\$ 300,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				300,000	
Capital Reserve Account				3,737,730	
Maintenance				315,071	
Unemployment Compensation				200,146	
Assigned Fund Balance:					
Year-End Encumbrances				101,059	
Designated For Subsequent Year's Expenditures				176,597	
Unassigned Fund Balance				593,420	
				5,724,023	
Reconciliation to Governmental Funds Statement (GAAP):					
Less: State Aid Payment Not Recognized on GAAP Basis				(143,268)	
Fund Balance Per Governmental Funds (GAAP)				\$ 5,580,755	

* 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, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Local	\$ -	\$ 71,452	\$ 71,452	\$ 154,997	\$ 83,545 *
Federal	256,321	68,632	324,953	283,935	(41,018)
Total Revenues	256,321	140,084	396,405	438,932	42,527
EXPENDITURES:					
Instruction:					
Salaries		11,456	11,456	11,456	-
Salaries of Teachers		14,000	14,000	9,397	4,603
Other Purchased Services	190,692	21,972	212,664	212,664	-
General Supplies	37,706	71,863	109,569	84,160	25,409
Total Instruction	228,398	119,291	347,689	317,677	30,012
Support Services:					
Purchased Prof/Ed Services		16,068	16,068	5,640	10,428
Purchased Professional/Tech Services					
Travel	21,551	(17,551)	4,000	1,987	2,013
Supplies and Materials		3,000	3,000	331	2,669
Student Activities				61,714	(61,714) *
Total Support Services	27,923	20,793	48,716	95,320	(46,604)
Total Expenditures	256,321	140,084	396,405	412,997	(16,592)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	25,935	25,935
Fund Balances, July 1	91,366	-	91,366	91,366	-
Fund Balances, June 30	\$ 91,366	\$ -	\$ 91,366	\$ 117,301	\$ 25,935
Reconciliation to Governmental Fund Statements (GAAP):					
Less: State Aid Payments Not Recognized on GAAP Basis				\$ -	
Fund Balance per Governmental Funds (GAAP)				\$ 117,301	
Recapitulation:					
Restricted:					
Student Activities				\$ 117,301	
Total Fund Balance				\$ 117,301	

* 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, 2025

**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] \$ 26,105,545	[C-2] \$ 438,932
 Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		(4,000)
 State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	121,481	-
 State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(143,268)	-
 Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ <u>26,083,758</u>	[B-2] \$ <u>434,932</u>
 Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 25,710,672	[C-2] \$ 412,997
 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.		(4,000)
 Transfers to and from other fund are presented as outflows of budgetary resources but are not expenditures for financial accounting purposes.		
Net Transfers (Outflows) to/from general fund.	-	-
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>25,710,672</u>	[B-2] \$ <u>408,997</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

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

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

	Fiscal Year Ending June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	0.0140807759%	0.0143325921%	0.0142778861%	0.014968532%	0.0138346415%	0.0133497763%	0.0147522273%	0.0138829819%	0.0173456188%	0.0175276754%
School District's proportionate share of the net pension liability	\$ 1,913,302	\$ 2,075,986	\$ 2,154,730	\$ 1,717,370	\$ 2,256,068	\$ 2,405,427	\$ 2,904,640	\$ 3,231,736	\$ 5,137,275	\$ 3,934,612
School District's covered payroll (plan measurement period)	\$ 1,143,540	\$ 1,111,222	\$ 1,067,033	\$ 1,060,038	\$ 1,023,770	\$ 1,038,595	\$ 976,498	\$ 974,430	\$ 1,022,676	\$ 990,246
School District's proportionate share of the net pension liability as a percentage of it's covered employee payroll	167.31%	186.82%	201.94%	162.01%	220.37%	231.60%	297.45%	331.65%	502.34%	397.34%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	65.23%	62.51%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%

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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 191,600	\$ 191,559	\$ 180,081	\$ 169,775	\$ 151,344	\$ 130,361	\$ 147,447	\$ 130,504	\$ 155,021	\$ 150,691
Contributions in relation to the contractually required contribution	(191,602)	(191,559)	(180,051)	(169,775)	(151,344)	(130,361)	(147,447)	(130,504)	(155,021)	(150,691)
Contribution deficiency/(excess)	\$ (2)	\$ -	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll (fiscal year)	\$ 1,143,540	\$ 1,111,222	\$ 1,067,033	\$ 1,060,038	\$ 1,023,770	\$ 1,038,595	\$ 976,498	\$ 974,430	\$ 1,022,676	\$ 990,246
Contributions as a percentage of covered employee payroll	16.75%	17.24%	16.88%	16.02%	14.78%	12.55%	15.10%	13.39%	15.16%	15.22%

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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
State's proportion of the net pension liability attributable of the School District	0.0797177715%	0.0778273642%	0.0754283749%	0.0752740196%	0.0740505551%	0.0719121723%	0.0678346699%	0.0717746416%	0.0692681898%	0.0717339520%
State's proportionate share of the net pension liability attributable to the School District	\$ 39,400,594	\$ 39,717,382	\$ 38,916,829	\$ 36,188,127	\$ 48,761,400	\$ 44,133,179	\$ 43,154,960	\$ 48,393,051	\$ 54,490,768	\$ 45,339,921
School District's covered payroll (plan measurement period)	\$ 9,889,119	\$ 9,731,371	\$ 9,194,048	\$ 9,204,857	\$ 8,828,219	\$ 8,572,396	\$ 8,153,601	\$ 7,936,105	\$ 7,620,556	\$ 7,172,150
School District's proportionate share of the net pension liability as a percentage of it's covered employee payroll	398.42%	408.14%	423.28%	393.14%	552.34%	514.83%	529.27%	609.78%	715.05%	632.17%
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	28.71%	33.64%

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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 3,445,664	\$ 3,242,777	\$ 3,156,867	\$ 2,205,915	\$ 1,678,006	\$ 1,445,897	\$ 1,025,424	\$ 805,966	\$ 551,651	\$ 385,518
Contributions in relation to the contractually required contribution	(405,222)	(419,787)	(359,087)	(290,445)	(204,229)	(116,245)	(135,099)	(97,245)	(81,163)	(62,450)
Contribution deficiency/(excess)	\$ 3,040,442	\$ 2,822,990	\$ 2,797,780	\$ 1,915,470	\$ 1,473,777	\$ 1,329,652	\$ 890,325	\$ 708,721	\$ 470,488	\$ 323,068
School District's covered payroll (fiscal year)	\$ 9,889,119	\$ 9,731,371	\$ 9,194,048	\$ 9,204,857	\$ 8,828,219	\$ 8,572,396	\$ 8,153,601	\$ 7,936,105	\$ 7,620,556	\$ 7,172,150
Contributions as a percentage of covered employee payroll	34.84%	33.32%	34.34%	23.96%	19.01%	16.87%	12.58%	10.16%	7.24%	5.38%

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 NINE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,								
	2025	2024	2023	2022	2021	2020	2019	2018	2017
OPEB Liability at Beginning of Measurement Period	\$ 33,649,948	\$ 32,948,888	\$ 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	1,435,436	1,393,432	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	1,274,134	1,185,110	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	391,182	(1,051,863)	811,727	(7,777,259)	7,633,869	(4,453,546)	(2,248,698)	-	Not Available
Effect on Changes of Assumptions	2,895,777	67,824	(8,838,835)	38,609	8,129,923	407,871	(3,442,354)	(4,497,685)	Not Available
Contributions from the Employees	33,319	30,370	27,747	25,953	23,485	24,892	27,723	29,027	Not Available
Gross Benefit Paid by the State	(973,076)	(923,813)	(864,912)	(799,683)	(774,833)	(839,729)	(802,120)	(788,290)	Not Available
Net Changes	5,056,772	701,060	(6,185,504)	(5,372,739)	17,151,749	(2,642,041)	(4,036,155)	(2,752,840)	-
OPEB Liability at the End of Measurement Period	\$ 38,706,720	\$ 33,649,948	\$ 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	\$ -	\$ 10,842,593	\$ 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	#DIV/0!	310.35%	321.11%	381.24%	451.76%	284.63%	312.12%	381.95%	425.61%
School District's Contributions	None	None	None	None	None	None	None	None	None

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, 2024

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, 2023 to 7.00% as of June 30, 2024. 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 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024. 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, 2024

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, 2023 to 7.00% as of June 30, 2024. 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 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024. 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, 2025

	PTO Donations	MAL Donations	BCUA Grant	Orange and Rockland Grant	Boys Scout FMS Court yard Grant	MEF Donations	ESSA Title I	I.D.E.A. Part B
REVENUE SOURCES:								
Local	\$ 56,000	\$ 1,600	\$ 650	\$ 1,000	\$ 364	\$ 7,734	\$ -	\$ -
Federal							26,209	212,664
Total Revenues	56,000	1,600	650	1,000	364	7,734	26,209	212,664
EXPENDITURES:								
Instruction:								
Salaries								
Salaries of Teachers							9,397	212,664
Other Purchased Services								
General Supplies	56,000	1,600	650	1,000	364	7,734	16,812	
Total Instruction	56,000	1,600	650	1,000	364	7,734	26,209	212,664
Support Services:								
Purchased Prof/Ed Services								
Other Purchased Prof/Tech Services								
Travel								
Supplies and Materials								
Student Activities								
Total Support Services								
	-	-	-	-	-	-	-	-
Total Expenditures	56,000	1,600	650	1,000	364	7,734	26,209	212,664
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, 2025

	I.D.E.A. Preschool	ESSA Title II	ESSA Title IV	ARP ESSER Fund	ARP ESSER Fund Accelerated Learning Coach & Educator	ARP ESSER Fund Evidence Based Summer Learning & Enrichment	Student Activities Fund	Grand Total
REVENUE SOURCES:								
Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,649	\$ 154,997
Federal	7,719	7,958	10,000	10,752	7,123	1,510		283,935
Total Revenues	7,719	7,958	10,000	10,752	7,123	1,510	87,649	438,932
EXPENDITURES:								
Instruction:								
Salaries				9,946		1,510		11,456
Salaries of Teachers								9,397
Other Purchased Services								212,664
General Supplies								84,160
Total Instruction	-	-	-	9,946	-	1,510	-	317,677
Support Services:								
Purchased Prof/Ed Services		5,640						5,640
Other Purchased Prof/Tech Services			10,000	806	7,123			25,648
Travel	7,719	1,987						1,987
Supplies and Materials		331						331
Student Activities							61,714	61,714
Total Support Services	7,719	7,958	10,000	806	7,123	-	61,714	95,320
Total Expenditures	7,719	7,958	10,000	10,752	7,123	1,510	61,714	412,997
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	25,935	25,935
Fund Balance, July 1	-	-	-	-	-	-	91,366	91,366
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117,301	\$ 117,301

SECTION F – CAPITAL PROJECTS FUND

MONTVALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

<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>	
Memorial Elementary School and Fieldstone Middle School Additions and Alterations	9/7/2021	\$ 29,414,000	\$ 15,403,844	\$ 9,774,045	\$ 4,236,111
Memorial Elementary School Partial Roof Replacement	12/3/2023	1,683,338.00	-	700,508.00	982,830
Fiddle Middle School School Partial Roof Replacement	12/3/2023	1,005,212.00	-	426,647.00	578,565
Total Expenditures		<u>\$ 32,102,550</u>	<u>\$ 15,403,844</u>	<u>\$ 10,901,200</u>	<u>\$ 5,797,506</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, 2025**

Revenues and Other Financing Sources:

Contribution from Private Source	\$	610,521
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Total Revenues		610,521
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Expenditures and Other Financing Uses:

Purchased Professional and Technical Services		579,407
Construction Services		10,287,103
Supplies and Miscellaneous Expenditures		34,690
Transfer to Fund 40		47,000

Total Expenditures		10,948,200
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Excess (Deficiency) of Revenues

Over (Under) Expenditures		(10,337,679)
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Fund Balance - Beginning

		18,756,125
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Fund Balance - Ending

	\$	8,418,446
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Recapitulation of Fund Balance (GAAP)

Available for Capital Project Expenditures	\$	8,418,446
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Total Fund Balance - Restricted for Capital Projects	\$	8,418,446
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**MONTVALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
MEMORIAL ELEMENTARY SCHOOL ADDITION AND ALTERATION
FIELDSTONE MIDDLE SCHOOL ADDITION AND ALTERATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Prior Periods	Current Period	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Bond Proceeds	\$ 29,414,000	\$ -	\$ 29,414,000	\$ 29,414,000
Total Revenues and Other Financing Sources	29,414,000	-	29,414,000	29,414,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	2,165,679	440,480	2,606,159	-
Construction Services	13,226,631	9,298,876	22,525,507	-
Supplies	11,534	34,689	46,223	-
Transfer to Fund 40	-	-	-	-
Total Expenditures and Other Financial Uses	15,403,844	9,774,045	25,177,889	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 14,010,156</u>	<u>\$ (9,774,045)</u>	<u>\$ 4,236,111</u>	<u>\$ 29,414,000</u>

Additional Project Information:

Project Number - Memorial	SP3330-030-20-1000
Project Number - Fieldstone	SP3330-020-20-1000
Grant Date	9/7/2021
Bond Authorization Date	12/14/2021
Bonds Authorized	\$29,414,000
Bond Issued	\$29,414,000
Original Authorized Cost	\$37,825,886
Additional Authorized Cost (SDA Grant canceled)	\$0
Revised Authorized Cost	\$37,825,886
Percentage Change Over Original Authorized Cost	-22.24%
Percentage Completion	52.00%
Original Target Completion Date	11/1/2026
Revised Target Completion Date	11/1/2026

MONTVALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
MEMORIAL ELEMENTARY SCHOOL PARTIAL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Period	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,010,003		\$ 1,010,003	\$ 1,010,003
SDA ROD Grant	673,335		673,335	673,335
Total Revenues and Other Financing Sources	1,683,338	-	1,683,338	1,683,338
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	85,662	85,662	-
Construction Services	-	614,846	614,846	-
Supplies	-	-	-	-
Transfer to Fund 40	-	-	-	-
Total Expenditures and Other Financial Uses	-	700,508	700,508	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,683,338</u>	<u>\$ (700,508)</u>	<u>\$ 982,830</u>	<u>\$ 1,683,338</u>

Additional Project Information:

Project Number - Memorial	SP05-03-3330-030-23-R501
Grant Date	12/3/2023
Bond Authorization Date	NA
Bonds Authorized	\$0
Bond Issued	\$0
Original Authorized Cost	\$1,683,338
Additional Authorized Cost (SDA Grant canceled)	\$0
Revised Authorized Cost	\$1,683,338
Percentage Change Over Original Authorized Cost	-100.00%
Percentage Completion	0.00%
Original Target Completion Date	10/1/2025
Revised Target Completion Date	10/1/2025

**MONTVALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FIELDSTONE MIDDLE SCHOOL PARTIAL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Prior Periods	Current Period	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 603,127		\$ 603,127	\$ 603,127
SDA ROD Grant	402,085		402,085	402,085
Total Revenues and Other Financing Sources	1,005,212	-	1,005,212	1,005,212
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	53,267	53,267	-
Construction Services	-	373,380	373,380	-
Supplies	-	-	-	-
Transfer to Fund 40	-	-	-	-
Total Expenditures and Other Financial Uses	-	426,647	426,647	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,005,212	\$ (426,647)	\$ 578,565	\$ 1,005,212

Additional Project Information:

Project Number - Memorial	SP05-03-3330-020-23-R501
Grant Date	12/3/2023
Bond Authorization Date	NA
Bonds Authorized	\$0
Bond Issued	\$0
Original Authorized Cost	\$1,005,212
Additional Authorized Cost (SDA Grant canceled)	\$0
Revised Authorized Cost	\$1,005,212
Percentage Change Over Original Authorized Cost	-100.00%
Percentage Completion	0.00%
Original Target Completion Date	10/1/2025
Revised Target Completion Date	10/1/2025

**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, 2025**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	(As Adjusted) Balance June 30, 2024	Issued	Retired	Balance June 30, 2025
			Date	Amount					
Additions and Renovations to Schools	2/9/2022	\$ 29,414,000	8/15/2025	\$ 1,040,000	2.000%	\$ 28,250,000	\$ -	\$ 1,010,000	\$ 27,240,000
			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%	446,000	-	150,000	296,000
			11/15/2025	150,000	4.050%				
			11/15/2026	146,000	4.050%				
Total						\$ 28,696,000	\$ -	\$ 1,160,000	\$ 27,536,000

**MONTVALE BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2025 AND 2024
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,456,619	\$ -	\$ 1,456,619	\$ 1,456,619	\$ -
Total Local Sources	1,456,619	-	1,456,619	1,456,619	-
State Sources	354,089		354,089	354,089	-
Total Revenues	1,810,708	-	1,810,708	1,810,708	-
EXPENDITURES:					
Debt Service - Regular:					
Interest	697,708		697,708	697,708	-
Redemption of Principal	1,160,000		1,160,000	1,160,000	-
Total Expenditures	1,857,708	-	1,857,708	1,857,708	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47,000)	-	(47,000)	(47,000)	-
OTHER FINANCING SOURCES (USES):					
Operating Transfers In:					
Unexpended Balance Transferred from Capital Projects Fund	47,000		47,000	47,000	-
Total Other Financing Sources (Uses)	47,000	-	47,000	47,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balance, July 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,									
	2025	2024	2023	2022	2020	2019	2018	2017	2016	2015
Governmental Activities										
Net Investment in Capital Assets										
Restricted	\$ 25,349,592	\$ 25,625,211	\$ 25,256,812	\$ 25,376,196	\$ 8,178,385	\$ 7,648,149	\$ 7,134,290	\$ 8,755,037	\$ 7,971,026	\$ 7,178,847
Unrestricted	13,489,753	23,403,177	26,569,545	34,626,981	3,371,838	2,941,885	2,688,599	2,387,052	2,384,792	2,136,972
	(29,441,300)	(30,697,697)	(25,776,658)	(31,882,492)	(3,077,166)	(3,342,208)	(3,587,412)	(3,656,777)	(3,457,997)	(3,379,359)
Total Governmental Activities Net Assets/Position	\$ 9,398,045	\$ 18,330,691	\$ 26,049,699	\$ 28,120,685	\$ 8,473,057	\$ 7,247,826	\$ 6,235,477	\$ 7,489,312	\$ 6,897,821	\$ 5,936,460
Business-Type Activities										
Net Investment in Capital Assets										
Restricted	\$ 1,573	\$ 3,147	\$ 4,720	\$ 6,294	\$ 14,684	\$ 10,007	\$ 3,826	\$ 4,304	\$ 5,334	\$ 6,365
Unrestricted	251,004	237,106	146,185	105,416	221,716	246,548	211,414	192,721	155,878	157,527
	252,577	240,253	\$ 150,905	\$ 111,710	\$ 236,400	\$ 256,555	\$ 215,240	\$ 197,025	\$ 161,212	\$ 163,892
Total Business-Type Activities Net Assets/Position	\$ 253,571	\$ 240,253	\$ 150,905	\$ 111,710	\$ 236,400	\$ 256,555	\$ 215,240	\$ 197,025	\$ 161,212	\$ 163,892
District-wide										
Net Investment in Capital Assets										
Restricted	\$ 25,351,165	\$ 25,628,358	\$ 25,261,532	\$ 25,382,490	\$ 8,193,069	\$ 7,658,156	\$ 7,138,116	\$ 8,763,341	\$ 7,976,360	\$ 7,185,212
Unrestricted	13,489,753	23,403,177	26,569,545	34,626,981	3,371,838	2,941,885	2,688,599	2,387,052	2,384,792	2,136,972
	(29,190,296)	(30,460,591)	(25,630,473)	(31,777,076)	(2,855,450)	(3,095,660)	(3,375,998)	(3,464,056)	(3,302,119)	(3,221,832)
Total District-wide Net Assets/Position	\$ 9,650,622	\$ 18,570,944	\$ 26,200,604	\$ 28,232,395	\$ 8,709,457	\$ 7,504,381	\$ 6,450,717	\$ 7,686,337	\$ 7,059,033	\$ 6,100,352

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,										
	2025	2024	2023	2022	2020	2019	2018	2017	2016	2015
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 7,074,061	\$ 7,101,558	\$ 7,107,266	\$ 6,720,279	\$ 9,698,002	\$ 10,982,606	\$ 10,604,325	\$ 8,446,916	\$ 8,165,031	\$ 7,854,093
Special Education	2,062,890	1,956,119	1,790,582	1,678,013	2,761,024	2,377,268	2,197,391	1,374,560	1,340,348	1,368,521
Other Special Education	597,526	599,533	546,987	520,270	-	-	-	-	-	-
Other Instruction	92,492	99,107	87,031	83,096	995,947	1,086,365	942,082	736,760	705,541	749,964
Support Services:										
Tuition	1,250,139	1,089,065	895,302	676,399	887,915	875,784	641,829	615,711	591,177	635,545
Student and Instruction Related Services	105,136	327,029	218,237	205,803	3,042,321	3,355,670	3,289,853	2,474,224	2,207,522	2,309,958
School Administrative Services	722,737	752,256	731,125	739,912	1,197,268	1,272,784	1,223,985	902,377	947,117	988,005
General and Business Administration Services	12,984,794	12,075,735	10,092,252	11,774,712	1,343,012	1,448,188	1,421,097	1,050,741	967,914	968,212
Plant Operations and Maintenance	1,527,344	1,477,185	1,452,716	1,420,058	1,419,358	1,483,396	1,506,275	1,488,495	1,383,353	1,346,860
Pupil Transportation	1,185,372	1,142,968	968,420	674,503	473,310	554,188	512,279	468,470	446,781	414,043
Capital Outlay	10,921,880	10,808,560	5,005,170	498,448	-	-	-	-	-	-
SDA Debt Service Assessment	687,842	714,661	1,019,855	30,700	28,393	28,393	28,393	28,393	28,393	28,393
Interest on Long-Term Debt	-	-	-	6,206	79,208	103,119	126,342	148,878	170,651	191,612
Unallocated Depreciation	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	39,212,213	38,143,776	29,914,943	25,028,399	21,925,758	23,567,761	22,493,851	17,735,525	16,953,828	16,855,206
Business-Type Activities:										
Milk Program	7,943	7,715	8,149	7,592	6,284	11,533	9,662	15,601	18,374	16,532
Extended School Year Program	13,857	12,525	15,635	-	21,863	16,625	17,865	20,808	21,149	23,853
Child Care	403,017	365,344	344,786	-	310,224	395,537	376,617	376,409	385,765	385,950
Safetytown	-	-	-	-	-	-	3,920	3,120	2,800	2,665
Total Business-Type Activities Expenses	424,817	385,584	368,570	7,592	338,371	423,695	408,064	415,938	428,088	429,000
Total District Expenses	\$ 39,637,030	\$ 38,529,360	\$ 30,283,513	\$ 25,035,991	\$ 22,264,129	\$ 23,991,456	\$ 22,901,915	\$ 18,151,463	\$ 17,381,916	\$ 17,284,206
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 146,922	\$ 145,000	\$ 132,934	\$ 99,150	\$ 134,144	\$ 146,371	\$ 173,837	\$ 187,052	\$ 206,705	\$ 229,701
Operating Grants and Contributions	1,435,290	1,215,288	1,108,445	909,512	5,916,416	7,639,873	7,418,383	2,234,038	2,149,352	2,021,639
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	1,582,212	1,360,288	1,241,379	1,008,662	6,050,560	7,786,244	7,592,220	2,421,090	2,356,057	2,251,340
Business-Type Activities:										
Charges for Services	442,367	6,144	5,274	4,360	314,652	459,440	419,527	444,108	416,843	432,654
Operating Grants and Contributions	4,774	4,365	4,803	4,122	3,564	5,571	6,752	7,642	8,565	11,911
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Revenues	447,141	10,509	10,077	8,482	318,216	465,011	426,279	451,750	425,408	444,565
Total District Program Revenues	\$ 2,029,353	\$ 1,370,797	\$ 1,251,456	\$ 1,017,144	\$ 6,368,776	\$ 8,251,255	\$ 8,018,499	\$ 2,872,840	\$ 2,781,465	\$ 2,695,905
Net (Expense)/Revenue										
Governmental Activities	\$ (37,630,001)	\$ (36,783,488)	\$ (28,673,564)	\$ (24,019,737)	\$ (15,875,198)	\$ (15,781,517)	\$ (14,901,631)	\$ (15,314,435)	\$ (14,597,771)	\$ (14,603,866)
Business-Type Activities	22,324	(375,075)	(358,493)	890	(20,155)	41,316	18,215	35,812	(2,680)	15,565
Total District-wide Net Expense	\$ (37,607,677)	\$ (37,158,563)	\$ (29,032,057)	\$ (24,018,847)	\$ (15,895,353)	\$ (15,740,201)	\$ (14,883,416)	\$ (15,278,623)	\$ (14,600,451)	\$ (14,588,301)

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

	Fiscal Year Ending June 30,									
	2025	2024	2023	2022	2020	2019	2018	2017	2016	2015
\$	18,731,661	\$ 18,045,746	\$ 17,535,045	\$ 17,323,515	\$ 16,378,134	\$ 16,037,355	\$ 15,495,446	\$ 15,191,614	\$ 14,893,610	\$ 14,600,284
	1,456,619	1,455,305	864,022	136,888	498,049	482,965	467,880	452,794	432,683	417,197
	7,366,012	9,255,187	7,063,033	7,670,274	13,601	19,948	(355,057)	47,974	37,096	37,681
	30,000	31,900	42,970	49,483	44,372	68,822	51,493	57,723	61,593	57,281
	817,888	1,247,816	940,367	64,117	56,878	76,237	39,694	17,818	9,836	3,128
	295,175	182,679	150,751	81,239	96,438	108,538	115,927	138,004	124,315	101,438
							(18,487)			155,070
							(2,149,099)			
	28,697,355	30,218,633	26,596,188	25,325,516	17,087,472	16,793,865	13,647,797	15,905,927	15,559,133	15,372,079
	-	-	-	-	-	-	-	-	-	28
	(10,000)	-	-	-	-	-	-	-	-	28
\$	28,687,355	\$ 30,218,633	\$ 26,596,188	\$ 25,325,516	\$ 17,087,472	\$ 16,793,865	\$ 13,647,797	\$ 15,905,927	\$ 15,559,133	\$ 15,372,107
\$	(8,932,646)	\$ (6,564,855)	\$ (2,077,376)	\$ 1,305,779	\$ 1,212,274	\$ 1,012,348	\$ (1,253,834)	\$ 591,492	\$ 961,362	\$ 768,213
	12,324	(375,075)	(358,493)	890	(20,155)	41,316	18,215	35,812	(2,680)	15,593
\$	(8,920,322)	\$ (6,939,930)	\$ (2,435,869)	\$ 1,306,669	\$ 1,192,119	\$ 1,053,664	\$ (1,235,619)	\$ 627,304	\$ 958,682	\$ 783,806

Source: District records

General Revenues and Other Changes in Net Position

Governmental Activities:
Property Taxes Levied For:
General Purposes
Debt Service
Federal and State Aid Not Restricted
Tuition Revenue
Investment Earnings
Miscellaneous Income
NJ Economic Development Authority Grants
Donated Capital Assets
Total Governmental Activities

Business-Type Activities:
Investment Earnings
Total Business-Type Activities
Total District-wide

Change in Net Position

Governmental Activities
Business-Type Activities
Total District

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

	Fiscal Year Ending June 30,									
	2025	2024	2023	2022	2020	2019	2018	2017	2016	2015
General Fund										
Restricted	\$ 4,954,006	\$ 4,555,686	\$ 6,019,779	\$ 5,320,542	\$ 2,966,935	\$ 2,513,179	\$ 2,293,241	\$ 1,852,195	\$ 1,730,357	\$ 1,133,823
Assigned	176,597	166,534	87,893	195,079	259,887	257,697	17,043	239,250	327,217	188,303
Unassigned	450,152	485,449	436,034	339,879	389,305	375,313	443,974	316,048	302,459	336,196
Total General Fund	\$ 5,580,755	\$ 5,207,669	\$ 6,543,706	\$ 5,855,500	\$ 3,616,127	\$ 3,146,189	\$ 2,754,258	\$ 2,407,493	\$ 2,360,033	\$ 1,658,322
All Other Governmental Funds										
Restricted	\$ 8,535,747	\$ 19,103,842	\$ 25,351,337	\$ 29,306,439	\$ 297,351	\$ 327,353	\$ 357,354	\$ 397,846	\$ 427,846	\$ 456,879
Assigned							34,547	43,630	43,630	504,908
Total All Other Governmental Funds	\$ 8,535,747	\$ 19,103,842	\$ 25,351,337	\$ 29,306,439	\$ 297,351	\$ 327,353	\$ 391,901	\$ 441,476	\$ 471,476	\$ 961,787

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,	2025	2024	2023	2022	2020	2019	2018	2017	2016	2015
Revenues:										
Local Sources:										
Local Tax Levy	\$ 20,188,280	\$ 19,501,051	\$ 18,399,067	\$ 17,460,403	\$ 16,955,391	\$ 16,623,439	\$ 16,089,668	\$ 15,793,286	\$ 15,496,944	\$ 15,209,093
Tuition (LEA's, Individuals, and Other)	30,000	31,900	42,970	49,483	44,372	68,822	51,493	57,723	61,593	57,281
Transportation Fees - Other LEAs	59,273	48,860	49,595	50,550	54,936	43,252	47,495	38,174	36,054	38,089
Interest in Investments	808,878	1,247,816	940,367	64,117	56,878	76,237	39,694	17,818	9,836	3,128
Other Restricted Miscellaneous Revenue	9,010	9,847	6,390	361	-	-	-	-	-	-
Unrestricted Miscellaneous Revenues	382,824	278,819	234,090	129,839	96,438	108,538	161,927	158,976	124,954	101,438
State Sources	7,101,900	8,311,155	6,196,308	5,710,877	3,836,164	3,556,521	2,978,737	1,899,459	1,855,049	1,851,153
Federal Sources	283,935	1,223,857	843,138	448,115	388,064	334,007	346,104	361,581	330,759	208,166
Total Revenues	28,864,100	30,653,505	26,711,925	23,913,745	21,432,243	20,810,816	19,715,118	18,327,017	17,915,189	17,468,348
Expenditures:										
Instruction:										
Regular	6,836,709	6,867,129	6,874,982	6,491,806	5,772,689	5,823,083	5,721,066	5,788,666	5,731,156	5,514,370
Special Education	2,062,105	1,955,333	1,789,797	1,678,013	1,707,639	1,305,695	1,245,156	971,921	973,669	988,696
Other Special Education	597,526	599,533	546,987	520,270	-	-	-	-	-	-
Other Instruction	92,042	98,657	85,789	83,096	587,203	569,883	502,058	513,367	504,587	535,081
Support Services:										
Tuition	1,250,139	1,089,065	895,302	676,399	887,915	875,784	641,829	615,711	591,177	635,545
Student and Instructional Related Services	2,472,351	2,506,426	2,332,531	2,175,557	2,023,568	2,014,107	2,008,573	1,912,710	1,736,723	1,781,221
School Administrative Services	717,564	747,083	725,953	734,739	710,878	668,558	654,314	631,656	685,127	681,071
General and Business Administration Services	1,007,691	988,407	933,692	936,835	843,056	800,543	821,370	757,449	714,891	710,056
Plant Operations and Maintenance	1,513,162	1,461,704	1,436,820	1,408,412	1,239,667	1,269,430	1,290,973	1,345,393	1,235,907	1,126,691
Pupil Transportation	1,185,372	1,142,968	968,420	674,503	467,100	546,204	505,249	464,443	444,582	411,570
Employee Benefits	8,282,630	8,136,599	7,467,578	6,829,112	5,805,482	5,652,547	5,028,727	3,914,290	3,683,365	3,812,348
Capital Outlay	11,003,578	11,105,430	5,065,830	375,874	352,810	341,514	355,905	762,279	769,271	857,932
Debt Service:										
Interest and Other Charges	697,708	725,448	755,023	32,888	82,259	106,084	129,222	151,672	173,334	194,209
Principal	1,160,000	1,314,000	150,000	145,000	525,000	510,000	495,000	480,000	460,000	445,000
Total Expenditures	38,878,577	38,737,782	30,028,704	22,762,504	21,005,266	20,483,432	19,399,442	18,309,557	17,703,789	17,697,790
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,014,477)	(8,084,477)	(3,316,779)	1,151,241	426,977	327,384	315,676	17,460	211,400	(231,442)
Other Financing Sources (Uses):										
Bond Principal	-	-	-	29,414,000	-	-	-	-	-	-
NJ Economic Development Authority Grants	-	-	-	-	-	-	(18,487)	-	-	155,070
Transfers In	47,000	1,654,130	41,000	41,000	36,801	35,878	49,314	37,489	33,124	356,630
Transfers Out	(47,000)	1,654,130	41,000	41,000	(36,801)	(35,878)	(49,314)	(37,489)	(33,124)	(356,630)
Unrealized Gain (Loss) on Investments	75,819	(244,594)	(49,883)	136,871	-	-	-	-	-	-
Total Other Financing Sources (Uses)	75,819	3,063,666	32,117	29,626,871	-	-	(18,487)	-	-	155,070
Net Change in Fund Balance	\$ (9,938,658)	\$ (5,020,811)	\$ (3,284,662)	\$ 30,778,112	\$ 426,977	\$ 327,384	\$ 297,189	\$ 17,460	\$ 211,400	\$ (76,372)
Debt service as a percentage of noncapital expenditures	6.65%	7.38%	3.63%	0.79%	2.94%	3.06%	3.28%	3.60%	3.74%	3.80%

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,	Rentals		Tuition		Interest on Investments		Transportation Fees - Other LEA's		Miscellaneous Revenue		Annual Total
	\$		\$		\$		\$		\$		
2025	125,000		30,000		274,176		59,273		115,837		604,286
2024	84,312		31,900		306,679		48,860		59,838		531,589
2023	85,362		42,970		175,872		49,595		64,712		418,511
2022	36,275		49,483		9,285		50,550		43,478		189,071
2020	-		44,372		56,878		54,936		91,709		247,895
2019	-		68,822		76,237		43,252		107,548		295,859
2018	-		51,493		39,694		47,495		120,154		258,836
2017	-		57,723		17,818		38,174		138,004		251,719
2016	-		61,593		9,836		36,054		214,315		321,798
2015	-		57,281		3,128		38,089		101,438		199,936

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
2024	\$ 19,700,700	\$ 1,645,513,600	\$ -	\$ 545,331,470	10,892,500	99,114,600	\$ 2,320,552,870	\$ 10,000	2,320,562,870	\$ 2,874,802,214	0.965
2023	26,686,300	1,604,890,000	1,947,600	501,851,970	10,892,500	99,814,600	2,246,082,970	85	2,246,083,055	2,742,289,459	0.951
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

(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	Total Direct School Tax Rate	Municipality	Regional School	County	
		Obligation Debt Service					
2024	0.897	0.068	0.965	0.616	0.685	0.286	2.552
2023	0.888	0.063	0.951	0.599	0.691	0.274	2.515
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

(1) Revaluation effective

Source: Municipal Tax Collector

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

Taxpayer	2025		2015	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
AR Landmark Montvale LLC	\$ 42,160,000			
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		
Terraza 18, LLC	36,000,000	N/A		Not Available
KPMG Peat Marwick	35,000,000	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		
Total	\$ 319,948,600	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
2024	\$ 57,593,547	\$ 57,481,074	99.80%	N/A	\$ 57,481,074	99.80%
2023	N/A	N/A	N/A	N/A	N/A	N/A
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%

Source: Municipal Tax Collector

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

DEBT CAPACITY

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities				
	General Obligation Bonds ^b	Certificates of Participation	Loans	Capital Leases	Bond Anticipation Notes (BANS)	Capital Leases	Total District	Percentage of Personal Income	Per Capita
2025	\$ 27,536,000	\$ -	\$ -	\$ -	\$ -	-	\$ 27,536,000	4.47%	\$ 2,942
2024	28,696,000	-	-	-	-	-	28,696,000	5.17%	3,405
2023	28,846,000	-	-	-	-	-	28,846,000	4.98%	3,418
2022	30,160,000	-	-	-	-	-	30,160,000	5.75%	3,515
2021	891,000	-	-	-	-	-	891,000	0.15%	104
2020	3,373,000	-	-	-	-	-	3,373,000	0.69%	394
2019	2,459,000	-	-	-	-	-	2,459,000	0.52%	287
2018	2,954,000	-	-	-	-	-	2,954,000	0.67%	351
2017	3,434,000	-	-	-	-	-	3,434,000	0.87%	412
2016	3,894,000	-	-	-	-	-	3,894,000	0.97%	474

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	
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Actual Taxable Value of Property	Per Capita
2025	\$ 27,536,000	\$ -	\$ 27,536,000	0.00%	\$ 2,942
2024	28,696,000	-	28,696,000	1.05%	3,405
2023	28,846,000	-	28,846,000	1.14%	3,418
2022	30,160,000	-	30,160,000	1.21%	3,515
2021	891,000	-	891,000	0.04%	104
2020	3,373,000	-	3,373,000	0.15%	394
2019	2,459,000	-	2,459,000	0.11%	287
2018	2,954,000	-	2,954,000	0.13%	351
2017	3,434,000	-	3,434,000	0.16%	412
2016	3,894,000	-	3,894,000	0.17%	474

MONTVALE BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
UNAUDITED

Net Direct Debt of School District As of December 31, 2024	\$ 27,536,000
Net Overlapping Debt of School District:	
Borough of Montvale (100%)	N/A
Regional School District	2,060,427
County of Bergen - Borough share	
\$20,425,048 at December 31, 2023 (1.28%)	20,591,981
Bergen County Utilities Authority (Water Pollution) -	
Borough's share of \$2,709,323 at December 31, 2023 (1.39%)	2,539,505
Total Direct and Overlapping Bonded Debt As of December 31, 2024	\$ 52,727,913

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2025

Equalized Valuation Basis	
2018	\$ 2,277,588,300
2019	2,375,762,912
2020	2,336,053,604
	<u>\$ 6,989,404,816</u>
Average Equalized Valuation of Taxable Property	\$ 2,329,801,605
Debt Limit (3% of Average Equalization Value)	69,894,048
Total Net Debt Applicable To Limit	<u>27,536,000</u>
Legal Debt Margin	<u>\$ 42,358,048</u>

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt Limit	\$ 42,358,048	\$ 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
Total Net Debt Applicable to Limit	27,536,000	28,696,000	28,846,000	30,160,000	891,000	3,373,000	2,459,000	2,954,000	3,434,000	3,894,000
Legal Debt Margin	<u>\$ 14,822,048</u>	<u>\$ 12,352,048</u>	<u>\$ 10,888,048</u>	<u>\$ 39,266,648</u>	<u>\$ 67,638,352</u>	<u>\$ 64,225,470</u>	<u>\$ 64,249,536</u>	<u>\$ 63,529,583</u>	<u>\$ 64,369,375</u>	<u>\$ 64,607,499</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	65.01%	69.91%	72.60%	43.44%	1.30%	4.99%	3.69%	4.44%	5.06%	5.68%

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		
2024	9,361	\$	616,487,377	\$ 65,857	3.6%
2023	8,428		555,042,796	65,857	2.7%
2022	8,439		578,839,449	68,591	4.8%
2021	8,580		524,169,360	61,092	8.1%
2020	8,571		578,859,627	67,537	2.5%
2019	8,566		489,812,446	57,181	3.1%
2018	8,576		470,299,264	54,839	3.7%
2017	8,410		440,145,760	52,336	4.0%
2016	8,333		394,459,221	47,337	3.9%
2015	8,217		403,175,322	49,066	4.7%

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

[illegible]

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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction										
Regular	73	78.00	72.50	77.00	73.00	71.00	73.00	72.30	66.50	69.00
Special Education	66	55.00	57.00	45.00	49.00	48.50	44.00	42.00	40.50	33.70
Other Instruction	0	2.00	2.00	2.00	2.00	4.00	4.00	4.50	7.00	12.50
Support Services:										
Student and Instruction Related Services	5.5	3.50	7.50	8.50	7.00	8.00	7.00	7.00	8.00	8.14
School Administrative Services	8	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.88
General and Business Administration Services	4.5	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	3.98
Central Services	3.5	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	2.00
Administrative Information Technology	2	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.50
Plant Operations and Maintenance	2.5	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	11.70
Total	165.00	159.50	160.00	153.50	152.00	152.50	149.00	146.80	144.00	150.40

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				
2025	981	\$ 26,017,291	\$ 26,521	1.13%	103	1:9	1:10	981.81	932.58	-0.18%	94.99%
2024	976	25,592,904	\$ 26,222	6.00%	105	1:9	1:10	983.54	931.66	3.10%	94.73%
2023	948	24,057,851	\$ 24,649	4.35%	105	1:9	1:10	953.08	900.38	0.34%	94.47%
2022	942	22,208,742	\$ 23,576	4.70%	102	1:9	1:10	949.84	898.95	2.19%	94.64%
2021	942	21,165,341	\$ 22,469	9.33%	98.5	1:10.5	1:9.7	929.02	905.37	-6.23%	97.45%
2020	984	20,045,196	\$ 20,371	0.36%	98	1:10.5	1:9.7	986.90	958.59	1.77%	97.13%
2019	962	19,525,834	\$ 20,297	8.33%	97	1:10.3	1:9.5	969.40	932.29	-2.82%	96.17%
2018	990	18,419,315	\$ 18,605	8.44%	94	1:11.5	1:9.7	996.70	956.13	0.00%	95.93%
2017	993	16,915,605	\$ 17,035	4.47%	95	1:11.2	1:9.7	996.70	959.51	-0.44%	96.27%
2016	1,002	16,301,184	\$ 16,274	0.72%	95	1:9.8	1:11.2	1,001.10	967.70	-4.97%	96.66%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>District Building</u>										
<u>Elementary School</u>										
Memorial Elementary (1954, 1962, 1983, 2000)										
Square Feet	91953	85,098	85,098	85,098	85,098	85,098	85,098	85,098	85,098	85,098
Capacity (students)	659	584	584	584	584	584	584	584	584	584
Enrollment	532	525	521	510	483	518	520	541	526	530
<u>Middle School</u>										
Fieldstone Middle School (1966)										
Square Feet	91533	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	443	450	432	435	452	469	449	454	467	474

Number of Schools at June 30, 2025

Elementary = 1
Middle School = 1

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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Memorial Elementary School	SP-3330-030-20-1000 SP05-03-3330-030-23-R501	85,098	\$ 1,137,901	\$ 89,201	\$ 73,973	\$ 125,132	\$ 104,014	\$ 96,168	\$ 100,267	\$ 113,595	\$ 137,804	\$ 108,937	\$ 88,853
Fieldstone Middle School	SP-3330-020-20-1000 SP05-03-3330-020-23-R501	89,640	1,142,496	77,658	101,697	105,166	87,948	100,590	80,227	124,557	112,022	133,856	100,464
Grand Total		174,738	\$ 2,280,397	\$ 166,859	\$ 175,670	\$ 230,298	\$ 191,962	\$ 196,758	\$ 180,494	\$ 238,152	\$ 249,826	\$ 242,793	\$ 189,317

* 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

**MONTVALE BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2025**

	Coverage	Deductible/Retention
School Package Policy-School Alliance Insuranced Fund		
Property - Blanket Buildings and Contents	\$52,513,241.00	\$2,500.00
Flood	\$10,000,000.00	\$2,500.00
Earthquake	\$25,000,000.00	\$2,500.00
Boiler and Machinery	\$100,000,000.00	\$2,500.00
Blanket Dishonesty 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 Auto Liability	\$5,000,000.00	None
Auto Physical Damage	Actual Cash Value	\$1,000.00
Cyber Liability	\$2,000,000.00	\$10,000.00
Commercial Environmental Impairment Liability-School Alliance Insuranced Fund		
Each Incident	\$1,000,000.00	\$50,000.00
Fund Aggregate	\$25,000,000.00	
School Leaders Professional Liability-School Alliance Insuranced Fund		
Each Loss	\$5,000,000.00	\$5,000.00
Annual Aggregate	\$5,000,000.00	
Excess Liability-School Alliance Insuranced Fund		
Per Occurrence/Aggregate	\$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 (CAN)		
Business Administratory/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, 2025, 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, 2025.

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, 2025.

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, 2025

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the compliance of the Montvale Board of Education (School District), in the County of Bergen, State of New Jersey, with the types of compliance requirements identified as subject to audit in the *New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the year ended June 30, 2025. The School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Montvale Board of Education, in the County of Bergen, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2025.

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, 2025

Federal Grantor/Pass-through Grantor/ Program Title	Federal AIC/FDA Number	FAIN	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2024	Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2025 Unearned Revenue	Due to Grantor
General Fund:														
Special Revenue Fund:														
U.S. Department of Education														
Passed-through State Department of Education														
<u>Every Student Succeeds Act Cluster:</u>														
Title I Part A	84.010	S010A240030	ESSA - 3330 - 25	\$ 52,117	7/1/24	9/30/25	\$ -	\$ 25,390	\$ (26,209)	\$ -	\$ -	\$ (819)	\$ -	\$ -
Title I Part A SEA	84.010	S010A230030	ESSA - 3330 - 24	47,132	7/1/23	9/30/24	(17,060)	17,060						
Title II Part A SEA	84.367A	S367A240029	ESSA - 3330 - 25	23,068	7/1/24	9/30/25		4,318	(7,958)			(3,640)		
Title II Part A SEA Carryover	84.367A	S367A230029	ESSA - 3330 - 24	26,939	7/1/23	9/30/24	(11,350)	11,350						
Title IV	84.424A	S424A240031	ESSA - 3330 - 25	10,000	7/1/24	9/30/25		10,000	(10,000)					
Total Every Student Succeeds Act Cluster							(28,410)	68,118	(44,167)		-	(4,459)	-	-
<u>Special Education Cluster:</u>														
I.D.E.A. Part B Basic	84.027A	H027A240100	IDEA - 3330 - 25	220,383	7/1/24	9/30/25		212,661	(212,664)			(3)		
I.D.E.A. Part B Basic Carryover	84.027A	H027A230100	IDEA - 3330 - 24	232,427	7/1/23	9/30/24	(96,450)	96,450						
I.D.E.A. Preschool Carryover	84.173A	H173A230114	IDEA - 3330 - 24	7,965	7/1/23	9/30/24	(97,599)	1,509	(220,363)		-	(3)		-
Total Special Education Cluster								316,539						
<u>Other Special Revenue Funds:</u>														
ARP ESSER Fund	84.425U	S425U210027	N/A	828,852	3/13/23	9/30/25	(719,181)	58,767	(10,752)	671,166				
ARP ESSER Fund Accelerated Learning Coach & Educator Support	84.425U	S425U210027	N/A	74,273	3/13/23	9/30/25	(19,200)	26,323	(7,123)					
ARP ESSER Fund Evidence Based Summer Learning & Enrichment	84.425U	S425U210027	N/A	40,000	3/13/23	9/30/25	(4,559)	6,069	(1,510)					
ARP ESSER Fund Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	N/A	40,000	3/13/23	9/30/25	(21,644)	21,644	(19,385)	671,166				
Total Other Special Revenue Funds							(764,594)	112,803						
Total Special Revenue Fund							(890,953)	499,260	(283,935)	671,166		(4,462)		
Enterprise Fund:														
U.S. Department of Agriculture														
Passed-through State Department of Education														
<u>Child Nutrition Program Cluster:</u>														
Special Milk Program for Children	10.556	251N304N1199	N/A	4,774	7/1/24	6/30/25	(209)	4,409	(4,774)			(365)		
Special Milk Program for Children	10.556	241N304N1099	N/A	4,365	7/1/23	6/30/24		209						
Total Enterprise Fund U.S. Department of Agriculture							(209)	4,618	(4,774)		-	(365)	-	-
Total Federal Financial Awards							(891,162)	503,878	(288,709)	671,166		(4,827)	\$ -	\$ -

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, 2025

				Balance at June 30, 2024				Balance at June 30, 2025				MEMO			
State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balance	(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education															
General Fund:															
State Aid-Public Cluster:															
Special Education Categorical Aid	25-495-034-5120-089	\$ 1,135,609	7/1/24	6/30/25	\$ -	\$ -	\$ 1,000,335	\$ (1,135,609)	\$ -	\$ -	\$ -	\$ -	\$ 105,274	\$ 1,135,609	
Special Education Categorical Aid	24-495-034-5120-089	1,031,746	7/1/23	6/30/24	(98,971)		98,971								
Security Aid	25-495-034-5120-084	95,241	7/1/24	6/30/25	(1,972)			(95,241)					8,829	95,241	
Security Aid	24-495-034-5120-084	86,695	7/1/23	6/30/24	(20,538)		205,446						29,165	314,611	
Transportation Aid	25-495-034-5120-014	314,611	7/1/24	6/30/25				(314,611)							
Transportation Aid	24-495-034-5120-014	200,564	7/1/23	6/30/24	(121,481)		1,523,674	(1,546,461)					143,268	1,545,461	
Total State Aid-Public Cluster															
Other General Funds:															
Extraordinary Aid	25-495-034-5120-044	291,394	7/1/24	6/30/25				(291,394)					291,394	291,394	
Extraordinary Aid	24-495-034-5120-044	293,862	7/1/23	6/30/24	(293,862)		293,862								
Nonpublic School Transportation Costs	25-495-034-5120-078	11,208	7/1/24	6/30/25	(7,735)			(11,208)					11,208	11,208	
Nonpublic School Transportation Costs	24-495-034-5120-078	7,735	7/1/23	6/30/24			7,735								
On-Behalf TPAF Post-Retirement Medical Contributions	25-495-034-5094-001	952,270	7/1/24	6/30/25			952,270	(952,270)						952,270	
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	3,258,957	7/1/24	6/30/25			3,258,957	(3,258,957)					34,363	3,258,957	
Reimbursed TPAF - Social Security	25-495-034-5094-003	707,144	7/1/24	6/30/25			672,781	(707,144)						707,144	
Reimbursed TPAF - Social Security	24-495-034-5094-003	695,487	7/1/23	6/30/24	(33,864)		33,864								
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	1,402	7/1/24	6/30/25			1,402	(1,402)						1,402	
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	1,762	7/1/23	6/30/24			1,762								
Total Other General Funds	25-XXX-XXX-XXXX-XXX		7/1/24	6/30/25	(335,461)		5,222,633	(5,224,137)					338,985	5,224,137	
Total General Fund					(456,942)		6,746,307	(6,769,598)					480,233	6,769,598	
Debt Service Fund:															
School Construction Debt Service Aid	25-495-034-5120-075	354,089	7/1/24	6/30/25			354,089	(354,089)						354,089	
Total Debt Service Fund							354,089	(354,089)						354,089	
Total State Financial Assistance					\$ (456,942)	\$ -	\$ 7,100,396	\$ (7,123,687)	\$ -	\$ -	\$ -	\$ -	\$ 480,233	\$ 7,123,687	
State Financial Assistance Not Subject to Major Program Determination:															
General Fund:															
On-Behalf TPAF Post-Retirement Medical Contributions	25-495-034-5094-001	952,270	7/1/24	6/30/25			(952,270)	952,270						(952,270)	
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	3,258,957	7/1/24	6/30/25			(3,258,957)	3,258,957						(3,258,957)	
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	1,402	7/1/24	6/30/25			(1,402)	1,402						(1,402)	
Total On-Behalf TPAF Pension System Contributions							(4,212,629)	4,212,629						(4,212,629)	
Total State Financial Assistance Subject to Major Program Determination					\$ (456,942)	\$ -	\$ 2,887,767	\$ (2,911,058)	\$ -	\$ -	\$ -	\$ -	\$ 480,233	\$ 2,911,058	

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, 2025

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, 2025

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$21,787) for the general fund and \$4,000 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:

	Federal	State	Total
General Fund	\$ -	\$ 6,747,811	\$ 6,747,811
Special Revenue Fund	283,935	-	283,935
Food Service Fund	4,774	-	4,774
Total Awards & Financial Assistance	<u>\$ 288,709</u>	<u>\$ 6,747,811</u>	<u>\$ 7,036,520</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, 2025.

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, 2025. 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, 2025.

MONTVALE BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2025

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>	\$ 26,209
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	<u>7,958</u>
Total	<u>\$ 34,167</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.

NOTE 10. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditors Results section of the Schedule of Findings and Questioned Costs.

MONTVALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued on financial statements Unmodified

Internal control over major programs:

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

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

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

Federal Awards – N/A

State Awards

Internal control over compliance:

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

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

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

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

Identification of major state programs:

GMIS Number(s)	Name of State Program
	STATE AID-PUBLIC CLUSTER:
25-495-034-5120-089	Special Education Categorical Aid
25-495-034-5120-084	Security Aid
25-495-034-5120-014	Transportation Aid
25-495-034-5094-003	Reimbursed TPAF - Social Security
25-495-034-5120-075	School Construction Debt Service Aid

MONTVALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

State Awards (Continued)

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

\$750,000

Auditee qualified as low-risk auditee?

 X Yes

 No

**MONTVALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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, 2025**

***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.

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, 2025**

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.