

**TOWNSHIP OF MAHWAH**

**SCHOOL DISTRICT**

**Township of Mahwah School District  
Board of Education  
Mahwah, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2020**

**Comprehensive Annual  
Financial Report**

**of the**

**Township of Mahwah School District  
Board of Education**

**Mahwah, New Jersey**

**For the Fiscal Year Ended June 30, 2020**

**Prepared by**

**Township of Mahwah School District  
Board of Education**

**Finance Department**

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**INTRODUCTORY SECTION  
(UNAUDITED)**



**MAHWAH BOARD OF EDUCATION**  
60 Ridge Road, Mahwah, NJ 07430

**Leonard D. Fitts, Ed.D.**  
Superintendent of Schools

**Dennis M. Fare**  
Assistant Superintendent

**Michael DeTuro, Ed.D.**  
Director of Curriculum and  
Instruction

**Kyle J. Bleeker**  
Business Administrator/Board Secretary

**Lisa Rizzo**  
Director of Special Services

December 21, 2020

The Honorable President and  
Members of the Board of Education  
Mahwah Township School District  
Bergen County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Mahwah Township School District for the fiscal year ended June 30, 2020 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 in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mahwah Township School District as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year ended is in conformity with the accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" and the New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** Mahwah Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Codification Section 2100. All funds of the District are included in this report. The Mahwah 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 PreK - 12. These services include regular and special education for handicapped students. The District provides a pre-school program for Title I eligible students and a pre-school program for special education students that served a combined 42 students in 2019-2020.

The District completed the 2019-2020 fiscal year with an enrollment of 2,858 students, which is 26 more students than the previous year’s enrollment. In addition, 60 students were sent to out-of-district special education programs. The following table details the changes in the student enrollment of the District.

Enrollment as of June 30

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-2020	2,858	0.91 %
2018-2019	2,832	(1.39) %
2017-2018	2,872	(1.71) %
2016-2017	2,922	(2.14) %
2015-2016	2,986	(3.02) %
2014-2015	3,079	(3.08) %
2013-2014	3,177	(1.39) %
2012-2013	3,222	(2.33) %
2011-2012	3,299	(2.07) %
2010-2011	3,369	(2.20) %
2009-2010	3,445	(1.10) %
2008-2009	3,484	0.81%
2007-2008	3,456	1.24%
2006-2007	3,420	1.24%
2005-2006	3,378	1.50%
2004-2005	3,328	1.00%
2003-2004	3,295	2.00%
2002-2003	3,230	3.89%
2001-2002	3,109	4.47%
2000-2001	2,976	3.05%
1999-2000	2,888	5.64%
1998-1999	2,734	5.15%
1997-1998	2,600	7.52%
1996-1997	2,418	4.40%
1995-1996	2,316	5.65%
1994-1995	2,192	2.00%
1993-1994	2,149	0.90%
1992-1993	2,130	4.70%
1991-1992	2,035	6.30%
1990-1991	1,915	4.90%

**2) ECONOMIC CONDITION AND OUTLOOK:** The Township of Mahwah’s economic condition is consistent with that of the county and region. The COVID-19 global health pandemic has had a profound impact on operations throughout the District. Some of modifications that were made, during the end of 2019/2020 school year, and for the opening of the 2020/2021 school year, may ultimately be permanent



changes. Only time will tell which will remain and which will gradually be phased out and returned to our original pre-COVID-19 processes.

Economically, the Township and District will be closely monitored as the pandemic continues. Mahwah is a diverse community and has a wide range of business, commerce, and socio-economic levels within its borders. Development in the Township, including that of affordable housing, will be closely monitored to determine the potential impact to future student enrollment. Tax rates for the Township are comparable, or lower, compared to similar municipalities in the county.

**3) MAJOR INITIATIVES:** Every effort continues to be made to service the needs of all students in-district whenever possible. The special needs of all students are addressed through appropriate, and where applicable, alternative instructional techniques.

The recent completion of an addition at the High School campus to add a dedicated lab space for curriculum aligned with STEAM (Science, Technology, Engineering, Arts, and Math) courses has been well received by the students and community at large.

Other major projects that have been, or are nearing completion, include a renovation for the Ramapo Ridge Middle School Gym Floor, Security Vestibule upgrades at all schools, exterior lighting upgrades, renovations to the Mahwah High School Library, and HVAC infrastructure work at Lenape Meadows Elementary School.

The 2019/2020 year also saw the building of a Strategic Plan that will help frame initiatives for the future of our District. Areas reviewed through the plan process include Curriculum and Instruction, Social-Emotional Learning, Community Connections, and Facilities.

Technology in 2019/2020, for staff and students, experienced the introduction of a 1:1 instructional model for our high school students, assigning each student a laptop for use both in school and at home. Ramapo Ridge Middle School also transitioned to a modified 1:1 model, where students were assigned a laptop during homeroom, carried it throughout the day, and returned it at the end of the day.

#### **4) DISTRICT INFORMATION:**

##### **A. Graduation Statistics**

**94.9% of the Class of 2020 is pursuing higher education.**

**Post Graduation Plans**

**College Data**

Mahwah High School students will be attending college in the following states in the fall.

<u>State</u>	<u>Attending</u>	<u>State</u>	<u>Attending</u>
NJ	91	MI	2
PA	30	NH	2
NY	19	GA	2
CT	14	IL	1
VA	14	MD	1
MA	10	CO	1
NC	7	LA	1
FL	6	DC	1
OH	4	WV	1
IN	3	VT	1
SC	3	ME	1
DE	2	RI	1
WA	2		

<b>Post-Graduation Plans</b>			
	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total Graduates</b>	<b>234</b>	<b>199</b>	<b>221</b>
<b>Post-Secondary</b>	<b>94.9%</b> <b>(222)</b>	<b>96.6%</b> <b>(192)</b>	<b>95.7%</b> <b>(211)</b>
<b>4 - Yr. Colleges</b>	<b>85.9%</b> <b>(201)</b>	<b>80%</b> <b>(159)</b>	<b>83.8%</b> <b>(185)</b>
<b>2 -Yr. Colleges</b>	<b>9.0%</b> <b>(21)</b>	<b>16.6%</b> <b>(33)</b>	<b>11.7%</b> <b>(26)</b>
<b>Other</b>	<b>5.1%</b> <b>(12)</b>	<b>3.4%</b> <b>(7)</b>	<b>4.5%</b> <b>(10)</b>

**Advanced Placement Testing**  
**230 Students took 494 exams in**  
**24 academic subjects in May 2020**  
**91.3% of the students scored 3 or better**

<b><u>AP Test Results</u></b>	
❖ 230 Students took 494 exams in 24 academic subjects in May 2020	
❖ 91.3% of the students scored 3 or better	
AP Course	Average Score
Art History	3.56
Biology	3.54
Calculus AB	4.00
Calculus BC	4.47
Chemistry	3.06
Computer Science	3.90
Computer Science Principles	3.86
English Language	4.29
English Literature	3.52
European History	3.27
French Language	4.20
Macroeconomics	3.21
Microeconomics	3.10
Music Theory	4.11
Physics C – E & M	3.17
Physics C- Mechanics	4.00
Psychology	3.98
Spanish	4.50
Statistics	3.8
Studio Art- Drawing	3.00
Studio Art-2D	3.22
Studio Art-3D	3.80
US Govt. & Politics	3.81
US History	4.12

**Class of 2020 – College Matriculation**

<b><u>College</u></b>	<b><u>Atten d</u></b>	<b><u>College</u></b>	<b><u>Atten d</u></b>
American University	1	Pennsylvania State University	7
Babson College	1	Princeton University	1
Bergen Community College	15	Purdue University-Main Campus	1
Berkeley College Woodland Park Location	1	Quinnipiac University	2
Bethany College	1	Ramapo College of New Jersey	22
Binghamton University	1	Rensselaer Polytechnic Institute	2
Bloomfield College	1	Rider University	2
Cape Fear Community College	1	Rollins College	1
Case Western Reserve University	1	Rowan University	2
College of Charleston	1	Rutgers University-New Brunswick	12
Cornell University	2	Rutgers University-Newark	1
Culinary Institute of America	1	Sacred Heart University	2
CUNY Bernard M Baruch College	1	Saint Joseph's University	2
Dartmouth College	1	Savannah College of Art and Design – Atlanta	1
Dickinson College	2	Seton Hall University	6
DigiPen Institute of Technology	1	State College of Florida-Manatee-Sarasota	1
Duke University	1	Stevens Institute of Technology	2
East Carolina University	2	Stockton University	1
Fairfield University	3	SUNY College of Agriculture and Technology at Cobleskill	1
Fairleigh Dickinson University-Florham Campus	2	Susquehanna University	1
Fordham University	4	Temple University	2
Georgia Institute of Technology-Main Campus	1	The College of New Jersey	6
Gettysburg College	1	The New School	1
High Point University	1	University of Bridgeport	1
Indiana University-Bloomington	2	University of Colorado Boulder	1
Iona College	1	University of Connecticut	2
Ithaca College	1	University of Delaware	2
James Madison University	5	University of Florida	1
Joe Kubert School of Cartoon and Graphic Art	1	University of Hartford	2
King's College	1	University of Maine	1

Lehigh University	2	University of Michigan-Ann Arbor	2
Liberty University	3	University of New Hampshire-Main Campus	1
Lincoln Technical Institute – Paramus	1	University of New Haven	2
Louisiana State University	1	University of Pittsburgh-Pittsburgh Campus	4
Loyola University Maryland	1	University of Rhode Island	1
Marist College	2	University of Richmond	1
Merrimack College	1	University of Scranton	4
Monmouth University	3	University of South Carolina-Columbia	2
Montclair State University	3	University of Tampa	3
Moravian College	1	University of Vermont	1
Muhlenberg College	2	University of Virginia-Main Campus	1
New Jersey Institute of Technology	2	University of Washington, Seattle	1
New York University	1	Vassar College	1
Northeastern University	7	Virginia Polytechnic Institute and State University	3
Northwestern University	1	Wake Forest University	2
Ohio State University-Main Campus	2	Wentworth Institute of Technology	1
Ohio University-Main Campus	1	William and Mary	1
Parisian Beauty Academy	1	William Paterson University of New Jersey	6
Pennsylvania College of Technology	1		

### B. Capital Reserve Analysis

In the 2000-2001 school year, the District established a capital reserve account to designate monies to fund future capital projects. Utilization of these funds permits the District to make capital improvement to its facilities without burdening the taxpayer or securing financing through the issuance of debt.

The following table traces the history of the capital reserve account resulting with the June 30, 2020 ending balance of \$6,136,618.

2000-2001	Fund Balance Allocation	10,000
2001-2002	Investment Income	250
2002-2003	Investment Income	200
2003-2004	Budget Tax Levy Allocation	1,200,000
2003-2004	Investment Income	125
2004-2005	Investment Income	29,861

Honorable President and  
Members of the Board of Education  
Mahwah Township School District  
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2004-2005	Fund Balance Allocation	713,000
2005-2006	Investment Income	79,895
2005-2006	Expenditures	(1,033,350)
2006-2007	Fund Balance Allocation	250,000
2006-2007	Investment Income	60,145
2006-2007	Expenditures	(180,235)
2007-2008	Fund Balance Allocation	515,000
2007-2008	Investment Income	39,089
2008-2009	Fund Balance Allocation	1,550,000
2008-2009	Investment Income	20,108
2008-2009	Expenditures	(897,160)
2009-2010	Fund Balance Allocation	750,000
2009-2010	Investment Income	19,467
2009-2010	Expenditures	(1,352,662)
2009-2010	Transfer from Capital Projects Fund	1,335
2010-2011	Investment Income	6,496
2010-2011	Fund Balance Allocation	2,200,000
2011-2012	Investment Income	3,408
2011-2012	Fund Balance Allocation	2,400,000
2011-2012	Expenditures	(300,000)
2012-2013	Investment Income	4,933
2012-2013	Fund Balance Allocation	1,500,000
2012-2013	Budget Appropriation	750,000
2013-2014	Investment Income	10,173
2013-2014	Fund Balance Allocation	450,000
2013-2014	Budget	360,000
2013-2014	Expenditures	(1,941,058)
2014-2015	Investment Income	10,485
2014-2015	Fund Balance Allocation	1,350,000
2014-2015	Expenditures Budgeted	(2,512,233)
2015-2016	Investment Income	11,218
2015-2016	Fund Balance Allocation	1,500,000
2016-2017	Expenditures Budgeted	(1,174,000)
2016-2017	Investment Income	21,023
2016-2017	Fund Balance Allocation	2,500,000
2016-2017	Return of Unexpended	109,070

**B. Capital Reserve Analysis**

2017-2018	Expenditures Budgeted	(1,935,000)
2017-2018	Expenditures	(4,633,919)
2017-2018	Fund Balance Allocation	1,000,000
2017-2018	Return of Unexpended Budget Balances	1,549,662
2017-2018	Transfer from Capital Projects Fund	613,072
2017-2018	Investment Income	48,240
2018-2019	Expenditures	(1,064,820)
2018-2019	Investment Income	51,435
2018-2019	Return of Unexpended	10,000
2018-2019	Fund Balance Allocation	1,350,000
2019-2020	Expenditures	(1,506,219)
2019-2020	Investment Income	44,309
2019-2020	Return of Unexpended	75,275
2019-2020	Fund Balance Allocation	1,500,000
	Beginning Balance July 1, 2020	\$6,136,618

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

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

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

**6) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objectives of these budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at a year-end are either canceled or are included as re-appropriations of fund balance in the subsequent fiscal year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2020.

**7) ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

**8) DEBT ADMINISTRATION:** During the 2019/2020 school year the district made payments of \$1,596,650 (\$1,360,000 principal and \$236,650 interest) towards debt issues. At June 30, 2020, the District's outstanding debt of \$4,390,000 represents the principal for two remaining issues. These remaining issues are expected to be fully paid in the 2022-2023 and 2023-2024 years respectively.

**9) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. 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 government units from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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



The Honorable President and  
Members of the Board of Education  
Mahwah Township School District  
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**11) OTHER INFORMATION: Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia, LLP was appointed by the Board of Education for this purpose. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

**12) ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Mahwah Township Schools Board of Education 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 throughout this most critical time. The preparation of this report could not have been accomplished without the efficient and dedicated services of our central office staff.

Respectfully submitted,

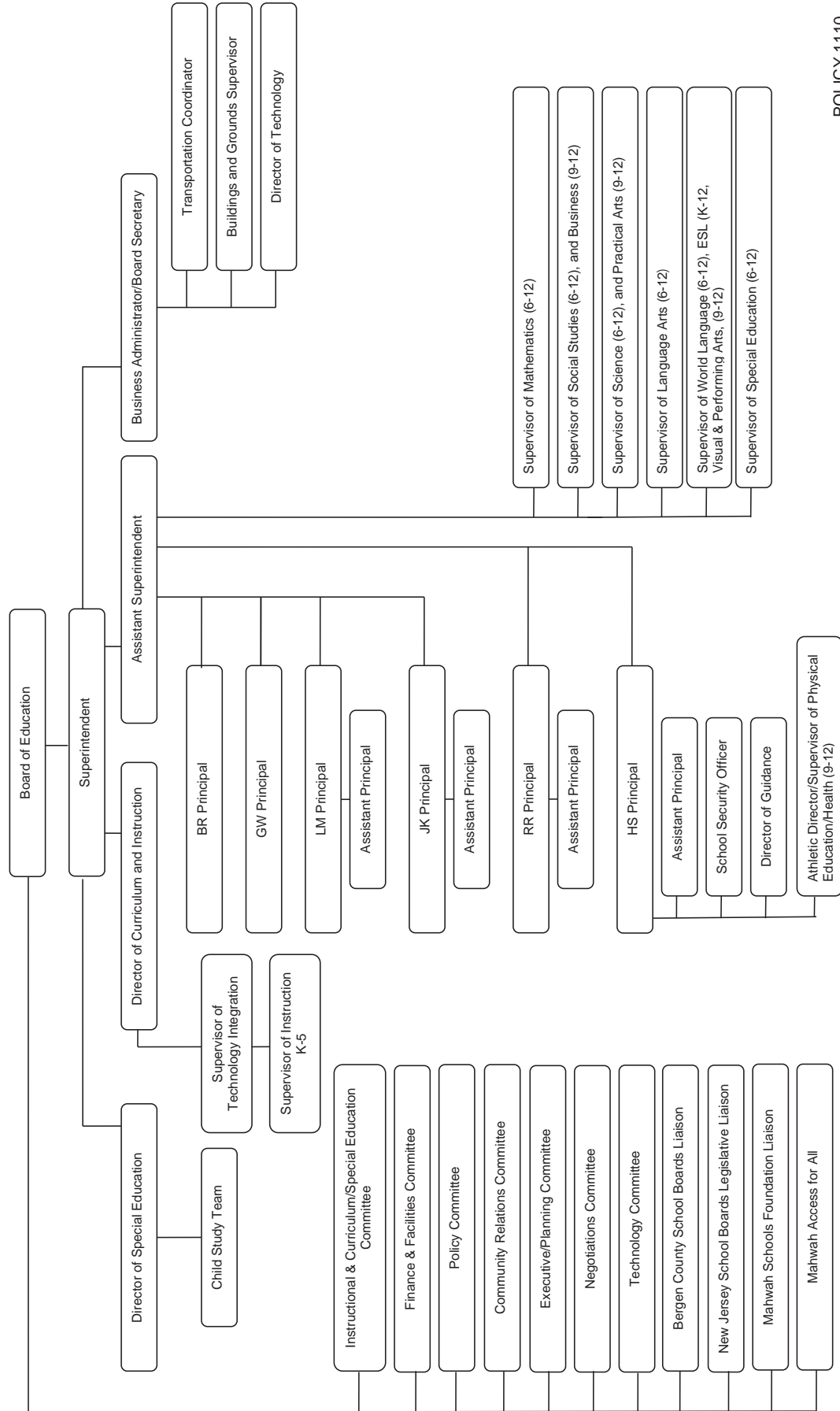


Dr. Leonard D. Fitts  
Interim Superintendent



Kyle J. Bleeker  
Board Secretary/Business Administrator

# MAHWAH BOARD OF EDUCATION ORGANIZATIONAL CHART 2019 - 2020



**TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
 ROSTER OF OFFICIALS  
 JUNE 30, 2020**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Kim Barron, President	2020
Richard A. DeSilva, Jr., First Vice President	2020
Leslie Konikow, Second Vice President	2021
Brett L. Coplin	2022
John Dinice	2022
Michael Galow	2021
Benjamin A. Kezmarsky	2021
Dr. Prema C. Moorthy	2022
Lynda Zaccone	2020

Other Officials

Title

C. Lauren Schoen, Ed.D.	Superintendent of Schools (to 7/31/20)
Dr. Leonard D. Fitts	Interim Superintendent of Schools (from 8/1/20)
Kyle J. Bleeker	School Business Administrator/Board Secretary
Dr. Philip H. Nisonoff	Treasurer

**TOWNSHIP OF MAHWAH SCHOOL DISTRICT**  
**Consultants and Advisors**

**Architect Firm**

Tokarski & Millemann Architects, LLC  
1729 Route 35  
Wall, NJ 07719

**Audit Firm**

Nisivoccia, LLP  
200 Valley Road, Suite 300  
Mt. Arlington, NJ 07856

**Attorneys**

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220 Park Avenue  
Florham Park, NJ 07932

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Lyndhurst, NJ 07071

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

**Bond Counsel**

Wilentz, Goldman & Spitzer P.A.  
90 Woodbridge Center Drive, Suite 900  
Woodbridge, NJ 07095

**Risk Management Consultants**

Acrisure LLC DBA IMAC Insurance Agency  
540 Mill Street  
Belleville, NJ 07109

Professional Insurance Associates  
429 Hackensack Street  
Carlstadt, NJ 07072

**Official Depository**

TD Bank  
One Interstate Shopping Center  
Ramsey, NJ 07446

**Financial Advisors**

Phoenix Advisors. LLC  
4 West Park Street  
Bordentown, NJ 08505

**FINANCIAL SECTION**

## Independent Auditors' Report

The Honorable President and Members of  
the Board of Education  
Township of Mahwah School District  
Bergen County, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of Mahwah School District (the "District") in the County of Bergen, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise of the District's basic financial statements as listed in the table of contents.

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

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

#### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Honorable President and Members of  
the Board of Education  
Township of Mahwah School District  
Bergen County, New Jersey  
Page 2

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2020, and the respective changes in 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.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and postemployment benefit schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards, 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 New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable President and Members of  
the Board of Education  
Township of Mahwah School District  
Bergen County, New Jersey  
Page 3

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

The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

December 21, 2020  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Heidi A. Wohlleb*  
\_\_\_\_\_  
Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant



**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Township of Mahwah School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

This section of the Township of Mahwah School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

**Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services and Region I services.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the fiscal year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Township of Mahwah School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

**Figure A-1  
Organization of Township of Mahwah School District's Financial Report**

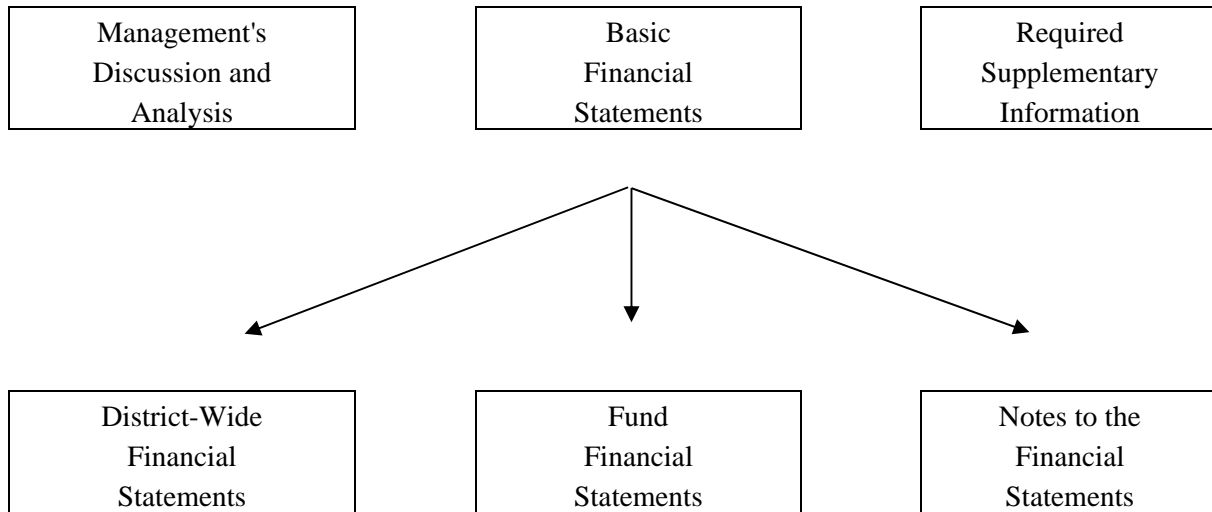


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

**Township of Mahwah School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

**Figure A-2**

*Major Features of the District-Wide and Fund Financial Statements*

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and Region I services	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the fiscal year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the fiscal year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the fiscal year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the fiscal year, regardless of when cash is received or paid	All additions and deductions during the fiscal year, regardless of when cash is received or paid

**Township of Mahwah School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

### **District-wide Statements**

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows, and liabilities. All of the current fiscal year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service and Region I services are included here.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at fiscal year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.

**Township of Mahwah School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

**Fund Financial Statements**

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

*Notes to the basic 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 basic financial statements can be found immediately following the fund financial statements.

**Financial Analysis of the District as a Whole**

*Net Position.* The Statement of Net Position provides one perspective of the District as a whole. Figure A-3 provides a summary of the District's net position as of June 30, 2020 and 2019. The District's *combined* net position was \$15,378,275 on June 30, 2020, \$4,043,302 or 35.67% more than it was the fiscal year before. The net position of the governmental activities increased by \$4,156,191 and the net position of the business-type activities decreased by \$112,889.

**Figure A-3  
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2019/20
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	
<b>Assets:</b>							
Current and Other Assets	\$ 17,370,583	\$ 16,234,161	\$ 992,938	\$ 1,010,025	\$ 18,363,521	\$ 17,244,186	
Capital Assets, Net	20,041,165	18,212,419	151,034	156,118	20,192,199	18,368,537	
<b>Total Assets</b>	<b>37,411,748</b>	<b>34,446,580</b>	<b>1,143,972</b>	<b>1,166,143</b>	<b>38,555,720</b>	<b>35,612,723</b>	8.26%
Deferred Outflows of Resources	2,308,360	3,313,943	115,929	149,023	2,424,289	3,462,966	-29.99%
<b>Liabilities:</b>							
Other Liabilities	1,120,913	923,801	107,716	80,770	1,228,629	1,004,571	
Long-Term Liabilities	19,378,881	21,655,614	590,178	581,358	19,969,059	22,236,972	
<b>Total Liabilities</b>	<b>20,499,794</b>	<b>22,579,415</b>	<b>697,894</b>	<b>662,128</b>	<b>21,197,688</b>	<b>23,241,543</b>	-8.79%
Deferred Inflows of Resources	4,166,228	4,283,213	237,818	215,960	4,404,046	4,499,173	-2.11%
<b>Net Position:</b>							
Net Investment in Capital Assets	15,928,622	12,820,744	151,034	156,118	16,079,656	12,976,862	
Restricted	12,620,231	11,296,479			12,620,231	11,296,479	
Unrestricted (Deficit)	(13,494,767)	(13,219,328)	173,155	280,960	(13,321,612)	(12,938,368)	
<b>Total Net Position</b>	<b>\$ 15,054,086</b>	<b>\$ 10,897,895</b>	<b>\$ 324,189</b>	<b>\$ 437,078</b>	<b>\$ 15,378,275</b>	<b>\$ 11,334,973</b>	35.67%

**Township of Mahwah School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

Figure A-4 represents the *Changes in Net Position*. Net investment in capital assets increased \$3,102,794 due to \$2,733,305 in capital assets additions and the retirement of \$1,360,000 of serial bonds payable, offset by \$907,557 of depreciation expense, amortized deferred amount on refunding of \$80,868, and net capital asset disposals of \$2,086. Restricted net position increased \$1,323,752 primarily due to an increase in the capital reserve of \$113,365, the establishment of a maintenance reserve of \$750,000 and an increase in excess surplus of \$458,195. Unrestricted net position (deficit) decreased \$383,244 primarily due to changes in deferred inflows and outflows related to pensions and an increase in compensated absences, offset by a decrease in the net pension liability and an excess in budget revenue and unexpended budget balances.

**Figure A-4  
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	Change 2019/20
Revenue:							
Program Revenue:							
Charges for Services			\$ 13,154,018	\$ 13,656,724	\$ 13,154,018	\$ 13,656,724	
Grants and Contributions:							
Operating	\$ 17,020,657	\$ 19,258,386	148,136	203,054	17,168,793	19,461,440	
General Revenue:							
Property Taxes	65,110,070	63,609,561			65,110,070	63,609,561	
Unrestricted State/ Federal Aid	90,561	102,848			90,561	102,848	
Other	471,973	422,868	2,005	482	473,978	423,350	
Total Revenue	<u>82,693,261</u>	<u>83,393,663</u>	<u>13,304,159</u>	<u>13,860,260</u>	<u>95,997,420</u>	<u>97,253,923</u>	-1.29%
Expenses:							
Instruction	40,218,663	41,795,580			40,218,663	41,795,580	
Pupil and Instruction Services	19,486,017	19,423,343			19,486,017	19,423,343	
Administration and Business	7,250,387	7,098,397			7,250,387	7,098,397	
Maintenance and Operations	6,612,792	6,207,827			6,612,792	6,207,827	
Transportation	4,232,693	4,606,930			4,232,693	4,606,930	
Other	736,518	781,206	13,417,048	13,904,140	14,153,566	14,685,346	
Total Expenses	<u>78,537,070</u>	<u>79,913,283</u>	<u>13,417,048</u>	<u>13,904,140</u>	<u>91,954,118</u>	<u>93,817,423</u>	-1.99%
Disposal of Capital Assets, Net of Depreciation				(14,429)		(14,429)	100.00%
Increase/(Decrease) in Net Position	<u>\$ 4,156,191</u>	<u>\$ 3,480,380</u>	<u>\$ (112,889)</u>	<u>\$ (58,309)</u>	<u>\$ 4,043,302</u>	<u>\$ 3,422,071</u>	18.15%

**Township of Mahwah School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

**Governmental Activities**

Careful management of expenses, streamlining our operations and implementing cost efficiencies allow the District to sustain its financial health. The following measures are evidence of this and have allowed the District to apply its resources to other areas of the budget and expand the offerings to staff and students.

- Transportation efficiencies through participation with Region I
- Participation in a Joint Insurance Fund
- Utilizing cooperative, State, and Federal bids and contracts, when applicable
- Group purchasing and auctioning of Utility costs
- In-District Special Education programs

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

**Figure A-5  
Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2019/2020	2018/2019	2019/2020	2018/2019
Instruction	\$ 40,218,663	\$ 41,795,580	\$28,828,479	\$28,845,681
Pupil and Instruction Services	19,486,017	19,423,343	16,168,195	15,737,020
Administration and Business	7,250,387	7,098,397	5,930,213	5,587,909
Maintenance and Operations	6,612,792	6,207,827	6,401,285	5,939,030
Transportation	4,232,693	4,606,930	3,451,723	3,764,051
Other	736,518	781,206	736,518	781,206
	<u>\$ 78,537,070</u>	<u>\$ 79,913,283</u>	<u>\$61,516,413</u>	<u>\$60,654,897</u>



**Township of Mahwah School District  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

**Business-Type Activities**

Net position from the District’s business-type activities decreased by \$112,889 (\$37,052 in Region I services and \$75,837 in food service). (Refer to Figure A-4). The decrease in food service was due primarily to the lack of daily sales during the COVID-19 school shutdown from mid-March through the end of the school year in June that was not offset by the decrease in operating expenses. The decrease in the Region I services was due primarily to changes in deferred inflows and outflows related to pensions.

**Financial Analysis of the District’s Funds**

The financial position of the District increased significantly primarily due to a net excess in miscellaneous revenue and unexpended budget balances in the General Fund. Difficult economic times have had a direct impact upon the District’s revenue sources and planned expenditures. Ratables in the municipality remain more or less stable, thus generating concern for the local tax levy in the future.

To maintain a stable financial position, the District must continue to practice sound fiscal management and carefully monitor expenditures.

**General Fund Budgetary Highlights**

Over the course of the fiscal year, the District revised the annual operating budget several times. These budget amendments fall into two categories:

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.
- The preparation of the 2019/2020 budget was difficult as a result of rising costs. This resulted in the need for line item transfers during the fiscal year.

**Capital Asset and Long-Term Liabilities Administration**

**Figure A-6  
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	
Sites (Land)	\$ 1,451,475	\$ 1,451,475			\$ 1,451,475	\$ 1,451,475	
Buildings and Building Improvements	15,917,107	14,110,802			15,917,107	14,110,802	
Site Improvements	308,911	319,943			308,911	319,943	
Machinery and Equipment	2,363,672	2,330,199	\$ 151,034	\$ 156,118	2,514,706	2,486,317	
Total Capital Assets, Net of Depreciation	\$ 20,041,165	\$ 18,212,419	\$ 151,034	\$ 156,118	\$ 20,192,199	\$ 18,368,537	9.93%

The District’s capital assets (net of depreciation) increased \$1,823,662, or 9.93%, during the fiscal year. (More detailed information about the District’s capital assets is presented in Note 9 to the Basic Financial Statements). During the 2019/2020 school year, District additions totaled \$2,733,305 which were offset by \$907,557 in depreciation and \$2,086 in net disposals.

**Township of Mahwah School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

**Long-Term Liabilities**

The District's long-term liabilities decreased by \$2,267,913, or 10.20%, during the fiscal year. At fiscal year-end, the District had \$4,390,000 of general obligation bonds outstanding, \$10,929,213 in net pension liability (\$10,339,035 governmental activities and \$590,178 business-type activities), \$351,043 in unamortized bond issuance premiums, and \$4,298,803 in compensated absences payable. (More detailed information about the District's long-term liabilities is presented in Note 9 to the Basic Financial Statements).

**Figure A-7  
Outstanding Long-Term Liabilities**

	Total School District		Total Percentage Change 2019/20
	2019/20	2018/19	
Governmental Activities:			
General Obligation Bonds, Net (Financed with Property Taxes)	\$ 4,390,000	\$ 5,750,000	
Net Pension Liability	10,339,035	11,530,273	
Other Long-Term Liabilities	4,649,846	4,375,341	
Total Governmental Activities	<u>19,378,881</u>	<u>21,655,614</u>	-10.51%
Business-Type Activities:			
Net Pension Liability	590,178	581,358	
Total Business-Type Activities	<u>590,178</u>	<u>581,358</u>	1.52%
Total District-wide	<u>\$ 19,969,059</u>	<u>\$ 22,236,972</u>	<u>-10.20%</u>

- Principal payments of \$1,360,000 on the District's general obligation bonds were made during the fiscal year.
- The District's net pension liability decreased by \$1,182,418 (\$1,191,238 governmental activities decrease, offset by a \$8,820 business-type activities increase).
- Unamortized bond premiums decreased by \$99,170.
- Compensated absences payable increased by the net amount of \$373,675.
- The District's other long-term liabilities as of June 30, 2020 are comprised of unamortized bond premiums and compensated absences payable.
- The current year's estimate of compensated absences payable reflects the contract limitation for certain employees for payment of sick days at a maximum of \$15,000.

**Township of Mahwah School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

**For the Future**

Currently, the District is in good financial position. This is due in large part to the work of past and present Board Members and Administration, as well as the outstanding support of the community for our public-school system.

The 2020/2021 school year will be challenging as our District works under the conditions of the COVID-19 global health pandemic in the months ahead. Fiscal decisions will be made carefully and thoughtfully to ensure that the students receive the educational requirements and opportunities they should while maintaining an environment of health and safety for everyone.

Many factors were considered by the District's Administration during the process of developing and presenting the 2020/2021 budget. The primary factors considered were:

- Enhancements to the educational opportunities for our students
- Forecasted enrollment
- Contractual costs of salaries and associated benefits
- Medical benefit costs
- Capital needs
- Technology and maintenance needs

Future forecasting will be aided by the completion of a 2020-2025 Strategic Plan. This plan, thoughtfully discussed and developed during the 2019/2020 school year, has been made final in October 2020, and will assist with guiding all aspects of decision-making for the next several years.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Township of Mahwah School District Board of Education, 60 Ridge Road, Mahwah, New Jersey 07430. Please visit our website at: <https://www.mahwah.k12.nj.us>.

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,273,667	\$ 720,209	\$ 8,993,876
Internal Balances	726,398	(726,398)	
Receivables from State Government	928,836	2,011	930,847
Receivables from Federal Government	43,718	4,782	48,500
Receivables from Other Governmental Units		970,339	970,339
Other Receivables	2,446	6,239	8,685
Inventory		15,756	15,756
Restricted Assets - Cash and Cash Equivalents:			
Capital Reserve Account	6,136,618		6,136,618
Maintenance Reserve Account	750,000		750,000
Emergency Reserve Account	508,900		508,900
Capital Assets, Net:			
Sites (Land)	1,451,475		1,451,475
Depreciable Buildings and Building Improvements, Site Improvements and Machinery and Equipment	18,589,690	151,034	18,740,724
Total Assets	<u>37,411,748</u>	<u>1,143,972</u>	<u>38,555,720</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding	277,457		277,457
Deferred Outflows Related to Pensions	2,030,903	115,929	2,146,832
Total Deferred Outflows of Resources	<u>2,308,360</u>	<u>115,929</u>	<u>2,424,289</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Interfund Payable	3,000		3,000
Payable to State Government	9,770		9,770
Accounts Payable	1,009,761	52,539	1,062,300
Accrued Interest Payable	80,438		80,438
Unearned Revenue	17,944	55,177	73,121
Noncurrent Liabilities:			
Due Within One Year	1,584,083		1,584,083
Due Beyond One Year	17,794,798	590,178	18,384,976
Total Liabilities	<u>20,499,794</u>	<u>697,894</u>	<u>21,197,688</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	4,166,228	237,818	4,404,046
Total Deferred Inflows of Resources	<u>4,166,228</u>	<u>237,818</u>	<u>4,404,046</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	15,928,622	151,034	16,079,656
Restricted for:			
Capital Projects	6,136,618		6,136,618
Maintenance	750,000		750,000
Emergency	508,900		508,900
Excess Surplus	5,224,713		5,224,713
Unrestricted (Deficit)	(13,494,767)	173,155	(13,321,612)
Total Net Position	<u>\$ 15,054,086</u>	<u>\$ 324,189</u>	<u>\$ 15,378,275</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 27,343,525		\$ 5,621,496		\$ (21,722,029)		\$ (21,722,029)
Special Education	9,137,554		5,004,765		(4,132,789)		(4,132,789)
Other Special Instruction	1,802,741		388,500		(1,414,241)		(1,414,241)
Other Instruction	1,934,843		375,423		(1,559,420)		(1,559,420)
Support Services:							
Tuition	5,349,886		644,222		(4,705,664)		(4,705,664)
Student & Instruction Related Services	14,136,131		2,673,600		(11,462,531)		(11,462,531)
General Administrative Services	827,184		92,223		(734,961)		(734,961)
School Administrative Services	3,850,641		811,627		(3,039,014)		(3,039,014)
Central Services	1,339,881		256,711		(1,083,170)		(1,083,170)
Administrative Information Technology	1,232,681		159,613		(1,073,068)		(1,073,068)
Plant Operations and Maintenance	6,612,792		211,507		(6,401,285)		(6,401,285)
Pupil Transportation	4,232,693		780,970		(3,451,723)		(3,451,723)
Interest on Long-Term Debt	200,323				(200,323)		(200,323)
Unallocated Depreciation	536,195				(536,195)		(536,195)
Total Governmental Activities	78,537,070	\$ -0-	17,020,657	\$ -0-	(61,516,413)		(61,516,413)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:							
Food Service	\$ 862,192	\$ 636,214	\$ 148,136		\$ (77,842)	\$ (77,842)	(77,842)
Region I Transportation	12,020,071	12,012,030			(8,041)	(8,041)	(8,041)
Region I Administration	434,044	388,442			(45,602)	(45,602)	(45,602)
Region I Summer School	100,741	117,332			16,591	16,591	16,591
Total Business-Type Activities	13,417,048	13,154,018	148,136		(114,894)	(114,894)	(114,894)
Total Primary Government	\$ 91,954,118	\$ 13,154,018	\$ 17,168,793	\$ -0-	\$ (61,516,413)	(114,894)	(61,631,307)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					63,515,128		63,515,128
Taxes Levied for Debt Service					1,594,942		1,594,942
Federal and State Aid not Restricted					90,561		90,561
Investment Earnings					184,093	2,005	186,098
Miscellaneous Income					287,880		287,880
Total General Revenues					65,672,604	2,005	65,674,609
Change in Net Position					4,156,191	(112,889)	4,043,302
Net Position - Beginning					10,897,895	437,078	11,334,973
Net Position - Ending					\$ 15,054,086	\$ 324,189	\$ 15,378,275

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT



**FUND FINANCIAL STATEMENTS**

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 8,266,699	\$ 5,260	\$ 1,708	\$ 8,273,667
Interfund Receivable	728,106			728,106
Receivables from State Government	926,831	2,005		928,836
Receivables from Federal Government		43,718		43,718
Other Receivables		2,446		2,446
Restricted Cash and Cash Equivalents	7,395,518			7,395,518
<b>Total Assets</b>	<u>\$ 17,317,154</u>	<u>\$ 53,429</u>	<u>\$ 1,708</u>	<u>\$ 17,372,291</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Interfund Payable		\$ 3,000	\$ 1,708	\$ 4,708
Payable to State Government		9,770		9,770
Accounts Payable	\$ 387,613	22,715		410,328
Unearned Revenue		17,944		17,944
<b>Total Liabilities</b>	<u>387,613</u>	<u>53,429</u>	<u>1,708</u>	<u>442,750</u>
Fund Balances:				
Restricted:				
Capital Reserve Account	6,136,618			6,136,618
Maintenance Reserve Account	750,000			750,000
Emergency Reserve Account	508,900			508,900
Excess Surplus - 2021-2022	2,876,339			2,876,339
Excess Surplus - 2020-2021	2,348,374			2,348,374
Assigned:				
Year-End Encumbrances	2,399,596			2,399,596
Designated for Subsequent Year's Expenditures	202,649			202,649
Unassigned	1,707,065			1,707,065
<b>Total Fund Balances</b>	<u>16,929,541</u>			<u>16,929,541</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 17,317,154</u>	<u>\$ 53,429</u>	<u>\$ 1,708</u>	<u>\$ 17,372,291</u>

Amounts reported for *Governmental Activities* in the Statement of Net Position (A-1) are different because:

Total Fund Balances (Above)	\$ 16,929,541
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds. The cost of the assets is \$38,832,237 and the accumulated depreciation is \$18,791,072.	20,041,165
The Deferred Amount on Refunding is not reported as an expenditure in the Governmental Funds in the year of the refunding. The Deferred Amount on Refunding is \$1,097,314 and the accumulated amortization is \$819,857.	277,457
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(10,339,035)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows Related to Pensions, Excluding District Contribution Subsequent to the Measurement Date	1,431,470
Deferred Inflows Related to Pensions	(4,166,228)
Long-Term Liabilities, including Bonds Payable, are not due and payable in the current period and therefore are not reported as Liabilities in the Funds.	(8,688,803)
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(80,438)
Bond Premiums are reported as revenue in the Funds. These premiums total \$1,334,853 and the accumulated amortization is \$983,810.	(351,043)
<b>Net Position of Governmental Activities</b>	<u>\$ 15,054,086</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

**TOWNSHIP OF MAHWAH SCHOOL DISTRICT**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	\$ 63,515,128		\$ 1,594,942	\$ 65,110,070
Miscellaneous Revenues	471,973	\$ 89,230		561,203
Total - Local Sources	63,987,101	89,230	1,594,942	65,671,273
State Sources	12,924,336	20,028		12,944,364
Federal Sources	32,395	927,491		959,886
Total Revenues	76,943,832	1,036,749	1,594,942	79,575,523
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	17,650,764	100,774		17,751,538
Special Education Instruction	5,584,869	122,779		5,707,648
Other Special Instruction	1,134,957			1,134,957
Other Instruction	1,285,594			1,285,594
Support Services and Undistributed Costs:				
Tuition	4,705,664	644,222		5,349,886
Student & Instruction Related Services	9,463,236	168,974		9,632,210
General Administrative Services	608,106			608,106
School Administrative Services	2,446,575			2,446,575
Central Services	888,311			888,311
Administration Information Technology	972,184			972,184
Plant Operations and Maintenance	5,972,962			5,972,962
Pupil Transportation	3,879,649			3,879,649
Unallocated Benefits	18,672,802			18,672,802
Debt Service:				
Principal			1,360,000	1,360,000
Interest and Other Charges			236,650	236,650
Capital Outlay	2,717,417			2,717,417
Total Expenditures	75,983,090	1,036,749	1,596,650	78,616,489
Excess/(Deficiency) of Revenues				
Over/(Under) Expenditures	960,742		(1,708)	959,034
Fund Balance - July 1	15,968,799		1,708	15,970,507
Fund Balance - June 30	\$ 16,929,541	\$ -0-	\$ -0-	\$ 16,929,541

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 959,034

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and disposal of capital assets differ from capital outlay in the period.

	Depreciation expense	\$ (878,065)
	Capital outlays	2,708,897
	<u>Disposal of capital assets, net of accumulated depreciation</u>	<u>(2,086)</u>
		1,828,746

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

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	1,191,238
Changes in Assumptions	(769,485)
Difference Between Expected and Actual Experience	(20,532)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	(55,051)
Changes in Proportion	(411)
	18,025

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned 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 (+).

The governmental funds report the effect of bond issuance premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities (+)

The governmental funds report the effect of the deferred amount on refunding when debt is first issued, whereas this amount is deferred and amortized in the statement of activities (-)

Change in Net Position of Governmental Activities (A-2) \$ 4,156,191

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	Business-Type Activities - Enterprise Funds				
	Major Funds		Total		Total Enterprise Funds
	Region I	Administration	Non-Major Funds	Total Region I	
ASSETS:					
Current Assets:					
Cash and Cash Equivalents		\$ 358,477	\$ 361,732	\$ 393,629	\$ 720,209
Receivable from:					
Federal Government			4,782		4,782
State Government			2,011		2,011
Other Governmental Units	\$ 963,218	7,121		970,339	970,339
Accounts Receivable - Other			6,239		6,239
Inventories			15,756		15,756
Total Current Assets	963,218	365,598	390,520	1,363,968	1,719,336
Non-Current Assets:					
Capital Assets			473,701		473,701
Less: Accumulated Depreciation			(322,667)		(322,667)
Total Non-Current Assets			151,034		151,034
Total Assets	963,218	365,598	541,554	1,363,968	1,870,370
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Outflows Related to Pensions		115,929		115,929	115,929
Total Deferred Outflows of Resources		115,929		115,929	115,929

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
PROPRIETARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Business-Type Activities - Enterprise Funds				
	Major Funds		Total		Total
	Region I	Administration	Non-Major Funds	Total Region I	
	Transportation	Administration	Non-Major Funds	Total Region I	Enterprise Funds
LIABILITIES:					
Current Liabilities:					
Interfund Payable - General Fund	\$ 686,701		\$ 39,697	\$ 686,701	\$ 726,398
Accounts Payable	3,551	\$ 35,108	13,880	38,659	52,539
Unearned Revenue:					
Prepaid Student Balances			47,490		47,490
Commodities			7,687		7,687
Noncurrent Liabilities:					
Due Beyond One Year			590,178	590,178	590,178
Total Liabilities	690,252	625,286	108,754	1,315,538	1,424,292
DEFERRED INFLOWS OF RESOURCES:					
Deferred Inflows Related to Pensions			237,818	237,818	237,818
Total Deferred Inflows of Resources			237,818	237,818	237,818
NET POSITION:					
Investment in Capital Assets			151,034		151,034
Unrestricted/(Deficit)	272,966	(381,577)	\$ 281,766	(73,459)	173,155
Total Net Position (Deficit)	\$ 272,966	\$ (381,577)	\$ 432,800	\$ (73,459)	\$ 324,189

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUNDS NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds				
	Major Funds		Total		Total Enterprise Funds
	Transportation	Administration	Non-Major Funds	Total Region I	
Operating Revenue:					
Charges for Services:			\$	243,557	\$ 243,557
Daily Sales:					
Reimbursable Programs			\$	388,465	388,465
Non-Reimbursable Programs		388,442		117,332	\$ 505,774
Program Fees	\$ 12,012,030				12,012,030
Transportation Fees from Other LEA's Within the State	12,012,030	388,442		749,354	13,149,826
Special Events				4,192	4,192
Total Operating Revenue	12,012,030	388,442		753,546	13,154,018
Operating Expenses:					
Cost of Sales:					
Reimbursable				247,055	247,055
Non-Reimbursable				101,058	101,058
Total Cost of Sales				348,113	348,113
Salaries, Benefits & Payroll Taxes		378,368		458,571	836,939
Contracted Services	12,020,071			46,575	12,066,646
Purchased Professional/Technical Services		8,034			8,034
Purchased Property Services				26,061	26,061
Other Purchased Services		1,108		1,360	2,468
Supplies and Materials				42,519	42,519
Rent		35,000			35,000
General Supplies		11,534		2,373	13,907
Miscellaneous Expenses				7,869	7,869
Depreciation Expense				29,492	29,492
Total Operating Expenses	12,020,071	434,044		962,933	13,417,048

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
PROPRIETARY FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds				
	Major Funds		Total		Total Enterprise Funds
	Region I	Administration	Non-Major Funds	Total Region I	
Operating Loss	\$ (8,041)	\$ (45,602)	\$ (209,387)	\$ (37,052)	\$ (263,030)
Non-Operating Revenue:					
Federal Sources:					
National School Lunch Program			103,269		103,269
COVID-19 Seamless Summer Option			8,042		8,042
Food Distribution Program			29,414		29,414
State Sources:					
School Lunch Program			7,284		7,284
COVID-19 Seamless Summer Option			127		127
Local Sources - Interest Revenue			2,005		2,005
Total Non-Operating Revenue			150,141		150,141
Change in Net Position	(8,041)	(45,602)	(59,246)	(37,052)	(112,889)
Net Position/(Deficit) - Beginning of Year	281,007	(335,975)	492,046	(36,407)	437,078
Net Position/(Deficit) - End of Year	\$ 272,966	\$ (381,577)	\$ 432,800	\$ (73,459)	\$ 324,189

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT



TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds				
	Major Funds		Total		Total Enterprise Funds
	Region I	Administration	Non-Major Funds	Total Region I	
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 11,769,148	\$ 394,196	\$ 780,665	\$ 12,280,676	\$ 12,944,009
Payments to/for Employees		(308,699)	(98,368)	(407,067)	(407,067)
Payments to Food Service Vendor			(796,487)		(796,487)
Payments to Transportation Vendors				(12,016,520)	(12,016,520)
Payments to Suppliers		(64,785)	(3,753)	(67,158)	(68,538)
Net Cash Provided by/(Used for) Operating Activities	(247,372)	20,712	(117,943)	(210,069)	(344,603)
Cash Flows from Investing Activities:					
Interest Income			2,005		2,005
Net Cash Provided by Investing Activities			2,005		2,005
Cash Flows from Noncapital and Related Financing Activities:					
Federal Subsidy Reimbursements			137,080		137,080
State Subsidy Reimbursements			6,995		6,995
Cash Received - Interfund Payable - General Fund	247,372		22,604	247,372	269,976
Net Cash Provided by/(Used for) Noncapital and Related Financing Activities	247,372		166,679	247,372	414,051
Net Increase in Cash and Cash Equivalents		20,712	50,741	37,303	71,453
Cash and Cash Equivalents, July 1		337,765	310,991	356,326	648,756
Cash and Cash Equivalents, June 30	\$ - 0 -	\$ 358,477	\$ 361,732	\$ 393,629	\$ 720,209

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds				
	Major Funds		Total		Total Enterprise Funds
	Region I	Administration	Non-Major Funds	Total Region I	
	Transportation	Administration			
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:					
Operating Income/(Loss)	\$ (8,041)	\$ (45,602)	\$ (209,387)	\$ (37,052)	\$ (263,030)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:					
Depreciation			29,492		29,492
Federal Food Distribution Program			29,414		29,414
Changes in Assets and Liabilities:					
(Increase)/Decrease in:					
Pensions:					
Change in Assumptions		55,829		55,829	55,829
Difference Between Expected and Actual Experience		103		103	103
Net Difference Between Projected and Actual in Investment Earnings on Pension Plan Investments		3,863		3,863	3,863
District Contribution Subsequent to the Measurement Date		(5,897)		(5,897)	(5,897)
Change in Proportion - Pensions		1,054		1,054	1,054
Other Accounts Receivable			(6,239)		(6,239)
Receivable from Other Governmental Units					
Inventory		(242,882)		(237,128)	(237,128)
Increase/(Decrease) in:					
Net Pension Liability		8,820			8,820
Accounts Payable	3,551	(3,212)	(276)	8,820	63
Interfund Payable			15,289	339	15,289
Unearned Revenue - Commodities			4,875		4,875
Unearned Revenue - Prepaid Balances			22,008		22,008
Net Cash Provided by/(Used for) Operating Activities	\$ (247,372)	\$ 20,712	\$ (117,943)	\$ (210,069)	\$ (344,603)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received commodities from the Federal Food Distribution Program valued at \$34,289 and utilized commodities from the Federal Food Distribution Program valued at \$29,414 for the fiscal year ended June 30, 2020.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2020

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Spending Trust</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 1,029,210	\$ 683,389	\$ 319,371	\$ 35,598
Interfund Receivable: Special Revenue Fund	<u>3,000</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>1,032,210</u>	<u>683,389</u>	<u>319,371</u>	<u>35,598</u>
<b>LIABILITIES:</b>				
Due to Student Groups	1,025,356	<u>                    </u>	<u>                    </u>	<u>                    </u>
School Store	<u>6,854</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>1,032,210</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>NET POSITION:</b>				
Held in Trust for:	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Unemployment Benefit Claims	<u>                    </u>	683,389	<u>                    </u>	<u>                    </u>
Scholarships	<u>                    </u>	<u>                    </u>	319,371	<u>                    </u>
Flexible Spending Claims	<u>                    </u>	<u>                    </u>	<u>                    </u>	35,598
Total Net Position	<u>\$ -0-</u>	<u>\$ 683,389</u>	<u>\$ 319,371</u>	<u>\$ 35,598</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Spending Trust
ADDITIONS:			
Contributions:			
Plan Member	\$ 109,979		\$ 66,139
Donations		\$ 40,548	
Total Contributions	<u>109,979</u>	<u>40,548</u>	<u>66,139</u>
Investment Earnings:			
Interest	<u>5,968</u>	<u>1,514</u>	<u>100</u>
Net Investment Earnings	<u>5,968</u>	<u>1,514</u>	<u>100</u>
Total Additions	<u>115,947</u>	<u>42,062</u>	<u>66,239</u>
DEDUCTIONS:			
Quarterly Contribution Reports and Unemployment Claims	110,474		
Scholarships Awarded		21,250	
Flexible Spending Claims			<u>77,201</u>
Total Deductions	<u>110,474</u>	<u>21,250</u>	<u>77,201</u>
Change in Net Position	5,473	20,812	(10,962)
Net Position - Beginning of the Year	<u>677,916</u>	<u>298,559</u>	<u>46,560</u>
Net Position - End of the Year	<u><u>\$ 683,389</u></u>	<u><u>\$ 319,371</u></u>	<u><u>\$ 35,598</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Township of Mahwah School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. 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.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). 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. 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.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses in the program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary and fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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 expenses by Board resolution.

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary funds:

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including 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 and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

Enterprise Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's cafeteria and Region I special education services operations. The food service and Region I services are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities and Payroll Agency Funds and the Unemployment Insurance (SUI), Flexible Benefits and Private Purpose Scholarship Trust Funds.

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting (Cont'd)

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2020 was submitted to the County office and was approved by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the fiscal year).

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments for the current fiscal year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.



TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 77,010,806	\$ 1,043,727
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP basis does not.		
Current Year Encumbrances		(10,575)
Cancellation of Prior Year Encumbrances		(1,140)
Prior Year Encumbrances		4,737
Prior Year State aid payments recognized for GAAP statements, not recognized for budgetary purposes	141,313	
Current Year State aid payments recognized for budgetary purposes, not recognized for GAAP statements	(208,287)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 76,943,832	\$ 1,036,749
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 75,983,090	\$ 1,043,727
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 reporting purposes.		
Current Year Encumbrances		(10,575)
Cancellation of Prior Year Encumbrances		(1,140)
Prior Year Encumbrances		4,737
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 75,983,090	\$ 1,036,749

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments:

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit 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.

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

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Interfund Transactions: (Cont'd)

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation.

Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end.

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise funds represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets:

During the fiscal year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost, including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	20 to 50 years
Machinery and Equipment	5 to 15 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond issuance premiums and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages:

The District does allow employees who provide services over the ten-month academic year the option to have one-tenth of their salaries deducted through the school year which is paid by June 30. Therefore, there are no accrued salaries and wages as of June 30, 2020.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

N. Compensated Absences: (Cont'd)

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

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

O. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

P. Fund Balance Appropriated:

General Fund: Of the \$16,929,541 General Fund balance at June 30, 2020, \$6,136,618 is restricted in the capital reserve account; \$750,000 is restricted in the maintenance reserve; \$508,900 is restricted in the emergency reserve account; \$5,224,713 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) (\$2,348,374 is prior year excess surplus which is included as anticipated budget revenue for the fiscal year ending June 30, 2021 and \$2,876,339 is current year excess surplus which will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2022); \$2,399,596 is assigned for encumbrances; \$202,649 is designated for subsequent year's expenditures; and \$1,707,065 is unassigned which is \$208,927 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the June state aid payments which are not recognized until the fiscal year ended June 30, 2020.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Restricted 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 restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent fiscal year's budget. The District has excess surplus at June 30, 2020 as outlined above.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated: (Cont'd)

The District's fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$208,927 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, a capital reserve, a maintenance reserve and an emergency reserve.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2020.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for fiscal year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2020.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Deficit Net Position:

The District has a \$13,494,767 deficit in unrestricted net position in governmental activities as of June 30, 2020 primarily due to the non-recognition of the June state aid payments as explained in Note 1P on the previous page, the accrual of \$4,298,803 in compensated absences payable, \$80,438 in accrued interest payable, \$351,043 of unamortized bond issuance premiums, deferred inflows related to pensions of \$4,166,228 and net pension liability of \$10,339,035, offset by deferred outflows related to pensions of \$1,431,470, excluding the District contribution subsequent to the measurement date, and \$4,309,310 governmental funds assigned and unassigned fund balances. The District also has a \$381,577 deficit in unrestricted net position in Region I Administration as of June 30, 2020 primarily due to net pension liability and related deferred inflows and outflows related to pensions. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

S. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2020 for the deferred amount on refunding of debt related to the District's 2011 and 2009 refunding bonds, and, with regard to pensions.

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows of resources at June 30, 2020, with regard to pensions.

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

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

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

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activities of the Enterprise Funds. For the School District, these revenues are sales for food service and fees for Region I. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. Pensions

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.



TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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 requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Board ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Board limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Custodial Credit Risk – The District does not have a policy with respect to custodial credit risk. However, the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit, and

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

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

Investments:

New Jersey statutes permit the District to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

New Jersey statutes permit the District to purchase the following types of securities: (Cont'd)

- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State 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 a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
  - (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 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

New Jersey statutes permit the District to purchase the following types of securities: (Cont'd)

- (9) Deposit of funds in accordance with the following conditions:
  - (a) the funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) the designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) the designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) on the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2020, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents				
	Restricted				
	Reserve Accounts				
	Capital	Maintenance	Emergency		Total
Checking Accounts	\$ 11,061,444	\$ 6,136,618	\$ 750,000	\$ 508,900	\$ 18,456,962

During the period ended June 30, 2020, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2020 was \$18,456,962 and the bank balance was \$21,236,798.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board by inclusion of \$10,000 on October 4, 2000 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.

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 State Department of Education, 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 fiscal year-end of any unanticipated revenue or unexpended line item appropriation amounts or both.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$ 6,023,253
Board Approved Withdrawal - Capital Outlay	(1,506,219)
Interest Earned	44,309
Increase Approved by Board Resolution June 17, 2020	1,500,000
Unexpended Balances Returned - Capital Outlay	75,275
Ending Balance, June 30, 2020	\$ 6,136,618

The balance in the capital reserve account at June 30, 2020 does not exceed the balance of local support costs of uncompleted capital projects in the District's Long Range Facilities Plan ("LRFP"). Withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$750,000 was established by Board resolution on June 17, 2020. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be reserved and designated in the subsequent fiscal year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

The activity of the maintenance reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$ - 0 -
Increase Approved by Board Resolution June 17, 2020	750,000
Ending Balance, June 30, 2020	<u>\$ 750,000</u>

NOTE 6: EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by Board resolution in fiscal year 2011-12 by inclusion of \$500,000 for the accumulation of funds for use as unanticipated General Fund expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a through and efficient education. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution between June 1<sup>st</sup> and June 30<sup>th</sup> of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)1.

The activity of the emergency reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$ 505,000
Budgeted Withdrawal - Capital Outlay	(200,000)
Board Approved Withdrawal - Capital Outlay	(98,000)
Interest Earned	1,900
Increase Approved by Board Resolution June 17, 2020	<u>300,000</u>
Ending Balance, June 30, 2020	<u>\$ 508,900</u>

NOTE 7. RECEIVABLES FROM OTHER GOVERNMENTS

The following receivables due from other governments existed as of June 30, 2020:

	Governmental Activities			Business-Type
				Activities
	General Fund	Special Revenue Fund	Total Governmental Funds	Proprietary Funds
Federal		\$ 43,718	\$ 43,718	\$ 4,782
State	\$ 926,831	2,005	928,836	2,011
Other				970,339
	<u>\$ 926,831</u>	<u>\$ 45,723</u>	<u>\$ 972,554</u>	<u>\$ 977,132</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2020, the District transferred \$2,328,461 to the capital outlay accounts; \$377,439 for equipment and \$1,951,022, including \$1,506,219, \$98,000 and \$219,097 from the Capital and Emergency Reserves and Unassigned Fund Balance, respectively, for facilities acquisition and construction services for which County Superintendent approval was required.

NOTE 9. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2020 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 1,451,475			\$ 1,451,475
Total Capital Assets Not Being Depreciated	1,451,475			1,451,475
Capital Assets Being Depreciated:				
Buildings and Building Improvements	29,263,589	\$ 2,306,223		31,569,812
Site Improvements	330,976			330,976
Machinery and Equipment	5,083,308	402,674	\$ (6,008)	5,479,974
Total Capital Assets Being Depreciated	34,677,873	2,708,897	(6,008)	37,380,762
Governmental Activities Capital Assets	36,129,348	2,708,897	(6,008)	38,832,237
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(15,152,787)	(499,918)		(15,652,705)
Site Improvements	(11,033)	(11,032)		(22,065)
Machinery and Equipment	(2,753,109)	(367,115)	3,922	(3,116,302)
	(17,916,929)	(878,065)	3,922	(18,791,072)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 18,212,419	\$ 1,830,832	\$ (2,086)	\$ 20,041,165
	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 449,293	\$ 24,408		\$ 473,701
Less Accumulated Depreciation	(293,175)	(29,492)		(322,667)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 156,118	\$ (5,084)	\$ - 0 -	\$ 151,034

The increases totaling \$2,733,305 represent current fiscal year capitalized expenditures in the general fund and the food service enterprise fund.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 9. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 24,124
Student and Instruction Related Services	82,014
General Administrative Services	47,865
School Administrative Services	6,728
Plant Operations and Maintenance	101,307
Pupil Transportation	79,832
Unallocated	<u>536,195</u>
	<u>\$ 878,065</u>

NOTE 10. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2020, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2019	Issued/ Added	Retired/ Matured	Balance 6/30/2020
<b>Governmental Activities:</b>				
Serial Bonds Payable	\$ 5,750,000		\$ 1,360,000	\$ 4,390,000
Unamortized Bond Issuance Premiums	450,213		99,170	351,043
Net Pension Liability	11,530,273		1,191,238	10,339,035
Compensated Absences Payable	3,925,128	\$ 524,022	150,347	4,298,803
Total Governmental Activities	<u>21,655,614</u>	<u>524,022</u>	<u>2,800,755</u>	<u>19,378,881</u>
<b>Business-Type Activities:</b>				
Net Pension Liability	581,358	8,820		590,178
Total Business-Type Activities	<u>581,358</u>	<u>8,820</u>		<u>590,178</u>
<b>Total District-wide</b>	<u>\$22,236,972</u>	<u>\$ 532,842</u>	<u>\$ 2,800,755</u>	<u>\$19,969,059</u>

A. Bonds Payable:

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 10. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable:

The District had bonds outstanding as of June 30, 2020 as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
School Refunding Bonds	12/02/09	09/15/22	4.50% - 5.00%	\$ 2,040,000
School Refunding Bonds	10/05/11	08/15/23	4.00% - 5.00%	2,350,000
				<u>\$ 4,390,000</u>

Principal and interest due on the District's serial bonds outstanding is as follows:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,380,000	\$ 176,000	\$ 1,556,000
2022	1,380,000	113,000	1,493,000
2023	1,085,000	54,375	1,139,375
2024	545,000	13,625	558,625
	<u>\$ 4,390,000</u>	<u>\$ 357,000</u>	<u>\$ 4,747,000</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2020, the Board had no bonds authorized but not issued.

C. Capital Leases Payable:

As of June 30, 2020, the District had no capital leases payable.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of compensated absences payable at June 30, 2020 is \$104,913 and the long-term portion is \$4,193,890. 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, 2020, no liability existed for compensated absences in the Proprietary Funds.

E. Unamortized Bond Issuance Premiums:

The liability for unamortized bond issuance premiums of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of unamortized bond issuance premiums at June 30, 2020 is \$99,170 and the long-term portion is \$251,873.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2020 is \$0- and the long-term portion is \$10,929,213 (\$10,339,035 governmental activities and \$590,178 business-type activities). See Note 11 for further information on the PERS.



TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 11. PENSION PLANS

Substantially all of the Board’s employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers’ Pension and Annuity Fund (TPAF) or the Public Employee’s Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

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 Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

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. The membership tiers for PERS are represented below.

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and 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 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at 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 members. 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 the 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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

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. Actual District contributions to PERS amounted to \$591,839 for 2020 (\$559,669 general fund and \$32,170 proprietary funds).

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, 2020, the District reported a liability of \$10,929,213 for its proportionate share of the net pension liability (\$10,339,035 governmental activities and \$590,178 business-type activities). The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.0607%, which was a decrease of 0.0008% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$313,986.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources on the following page.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Amortization Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:			
2014	6.44 years	\$ 28,884	
2015	5.72 years	178,594	
2016	5.57 years	883,844	
2017	5.48 years		\$ 1,568,928
2018	5.63 years		1,267,838
2019	5.21 years		956,729
Subtotal		1,091,322	3,793,495
Changes in Proportion:			
2014	6.44 years		38,500
2015	5.72 years		17,663
2016	5.57 years		147,325
2017	5.48 years		29,293
2018	5.63 years	225,695	
2019	5.21 years		156,968
Subtotal		225,695	389,749
Difference Between Expected and Actual Experience:			
2015	5.72 years	49,550	
2016	5.57 years	26,822	
2017	5.48 years	46,660	
2018	5.63 years		48,280
2019	5.21 years	73,133	
Subtotal		196,165	48,280
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments:			
2016	5 years		(201,723)
2017	5 years		242,080
2018	5 years		168,386
2019	5 years		(36,221)
Subtotal			172,522
District Contribution Subsequent to the Measurement			
Date - 2019	1 year	633,650	
		\$ 2,146,832	\$ 4,404,046

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2020	\$ (315,586)
2021	(1,023,755)
2022	(914,153)
2023	(429,242)
2024	(44,074)
	\$ (2,726,810)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

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

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 a 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-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2019 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2019 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the 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:

	June 30, 2019		
	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's proportionate share of the Net Pension Liability	\$ 13,805,600	\$ 10,929,213	\$ 8,505,782

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' 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. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

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

The following represents the membership tiers for TPAF:

Tier	Definition
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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and 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 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 members. 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. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

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 nonemployer 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 District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2020, the State of New Jersey contributed \$5,276,760 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$8,372,371.

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, 2020, the State's proportionate share of the net pension liability attributable to the District was \$141,946,284. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.2313%, which was an increase of 0.0052% from its proportion measured as of June 30, 2018.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
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(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>141,946,284</u>
Total	<u>\$ 141,946,284</u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$8,372,371 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2020 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Amortization Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:			
2014	8.50 years	\$ 768,874,621	
2015	8.30 years	2,351,172,865	
2016	8.30 years	5,609,216,856	
2017	8.30 years		\$ 8,483,527,374
2018	8.29 years		5,172,258,445
2019	8.04 years		3,507,345,617
Difference Between Expected and Actual Experience:			
2014	8.50 years		7,323,009
2015	8.30 years	145,211,243	
2016	8.30 years		69,755,412
2017	8.30 years	150,939,884	
2018	8.29 years	907,352,137	
2019	8.04 years		136,265,890
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:			
2016	5 years		(431,855,192)
2017	5 years		452,016,524
2018	5 years		288,091,115
2019	5 years		(144,882,771)
		<u>\$ 9,932,767,606</u>	<u>\$ 17,539,845,423</u>



TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Total
2020	\$ (272,405,510)
2021	(704,260,700)
2022	(630,562,767)
2023	(1,216,378,743)
2024	(2,381,316,232)
Thereafter	(2,402,153,865)
	\$ (7,607,077,817)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the actuarial assumptions on the following page, applied to all periods in the measurement.

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

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 a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected\_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

The following presents the net pension liability of the State as of June 30, 2019 calculated using the discount rate as disclosed above, as well as what the State's 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:

	June 30, 2019		
	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 167,386,086	\$ 141,946,284	\$ 120,839,281

Pension Plan Fiduciary Net Position

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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 DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$43,215 for the fiscal year ended June 30, 2020. Employee contributions to DCRP amounted to \$79,280 for the fiscal year ended June 30, 2020.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). 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 years or more 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 total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	<u>216,892</u>
Total	<u><u>364,943</u></u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 which was rolled forward to June 30, 2018.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

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

Mortality Rates

Pre-retirement 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-2019. Post-retirement 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-2019. 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-2019.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
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(Continued)

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Health Care Trend Assumptions (Cont'd)

fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District

	Total OPEB Liability
Balance at June 30, 2018	\$ 97,792,542
Changes for Year:	
Service Cost	3,450,735
Interest	3,867,767
Difference Between Expected and Actual Experience	(15,610,147)
Changes of Assumptions	1,314,904
Member Contributions	80,247
Gross Benefit Payments	(2,707,137)
Net Changes	(9,603,631)
Balance at June 30, 2019	\$ 88,188,911

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019 calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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:

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 104,185,954	\$ 88,188,911	\$ 75,481,737

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(Continued)

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019 calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 72,663,732	\$ 88,188,911	\$ 108,741,060

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

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$2,014,797 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2019, the State had deferred outflows of resources and deferred inflows of resources related to OPEB attributable to the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 10,266,973
	2018	9.51		8,830,986
	2019	9.29	\$ 1,173,365	
			1,173,365	19,097,959
Differences between Expected and Actual Experience	2018	9.51		8,348,029
	2019	9.29		13,810,563
				22,158,592
Changes in Proportion	N/A	N/A	1,228,283	612,119
			\$ 2,401,648	\$ 41,868,670

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

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

Fiscal Year Ending June 30,	Total
2020	\$ (5,381,750)
2021	(5,381,750)
2022	(5,381,749)
2023	(5,381,749)
2024	(5,381,749)
Thereafter	(13,174,439)
	\$ (40,083,186)

NOTE 13. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District has health benefits coverage for its employees under the State of New Jersey Employees' Health Benefit Plan.

Property, Liability and Health Benefits - Insurance

A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the Northeast Bergen County School Board Insurance Group (the "Group"). This public entity risk management pool provided general liability, workers compensation, property and automobile coverage for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Group is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the Group are elected.

As a member of the Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities. The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.



TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 13. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits – Insurance (Cont'd)

The June 30, 2020 audit report for the Group is not available as of the date of this report. Selected financial information for the Group as of June 30, 2019 is as follows:

	Northeast Bergen County School Board Insurance Group (NESBIG)
Total Assets	\$ 32,441,723
Net Position	\$ 19,557,163
Total Revenue	\$ 14,472,107
Total Expenses	\$ 11,208,523
Member Dividends	\$ 1,860,981
Change in Net Position for the Year Ended June 30, 2019	\$ 1,402,603

Financial statements for the Group are available at the Group’s Executive Director’s Office:

Burton Agency  
44 Bergen Street  
PO Box 270  
Westwood, NJ 07675  
(201) 664-0310

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 following is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two fiscal years.

Fiscal Year	District Contributions	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2019-2020	\$ -0-	\$ 5,968	\$ 109,979	\$ 110,474	\$ 683,389
2018-2019	-0-	6,779	87,640	96,469	677,916
2017-2018	-0-	-0-	91,832	60,808	679,966

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 14. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 15. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 728,106	
Special Revenue Fund		\$ 3,000
Capital Projects Fund		1,708
Proprietary Funds:		
Region I Transportation		686,701
Food Service		39,697
Fiduciary Funds:		
Student Activity Agency	<u>3,000</u>	
	<u>\$ 731,106</u>	<u>\$ 731,106</u>

The General Fund interfund receivable of \$728,106 is comprised of \$1,708 due from the Capital Projects Fund, a \$686,701 interfund loan due from the Region I Transportation Fund due to receivables which had not yet been collected as of June 30, 2020, and \$39,697 due from the Food Service Enterprise Fund for on-behalf purchases. The \$3,000 interfund between the Student Activity Agency Fund and the Special Revenue Fund relates to a prior year interfund that has not been liquidated.

NOTE 16. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future fiscal years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 16. DEFERRED COMPENSATION (Cont'd)

The plan administrators are as follows:

<u>403(b)</u> AIG Retirement Services (formerly VALIC) American Century Services LLC Ameriprise Financial/RiverSource Equitable (formerly AXA) Lincoln Investment Planning Security Benefit	<u>457</u> Equitable (formerly AXA)
---	--

NOTE 17. TAX CALENDAR

Property taxes are levied by the District's constituent municipality as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the District on a predetermined mutually agreed-upon schedule.

NOTE 18. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2020:

	Governmental Funds		District Contribution	Total
	General Fund	Special Revenue Fund	Subsequent to Measurement Date	Governmental Activities
Salaries	\$ 20,023			\$ 20,023
Vendors	366,049	\$ 1,126		367,175
Due to:				
State of New Jersey	1,541	21,589	\$ 599,433	622,563
	\$ 387,613	\$ 22,715	\$ 599,433	\$ 1,009,761

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 18. ACCOUNTS PAYABLE (Cont'd)

The following accounts payable balances existed as of June 30, 2020: (Cont'd)

	Proprietary Funds			District Contribution Subsequent to Measurement Date	Total Business - Type Funds
	Food Service	Region I			
		Transportation	Administration		
Vendors	\$ 13,880	\$ 3,551	\$ 891		\$ 18,322
Due to:					
State of New Jersey				\$ 34,217	34,217
	\$ 13,880	\$ 3,551	\$ 891	\$ 34,217	\$ 52,539

NOTE 19. CONTINGENCIES

Litigation

The Board is periodically involved in claims and lawsuits arising in the normal course of business. The Board does not believe that the ultimate outcome of these claims will have a material adverse effect on the District's financial position.

Grant Programs

The District participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management of the District is not aware of any material items of noncompliance which would result in the disallowance of grant program expenditures.

Encumbrances

At June 30, 2020, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

Governmental Funds		
General	Special Revenue	Total
\$ 2,399,596	\$ 10,575	\$ 2,410,171

On the District's Governmental Funds Balance Sheet as of June 30, 2020, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund. Encumbrances in the Special Revenue Fund of \$10,575 are not recognized and are reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 20. OPERATING LEASES

As of June 30, 2020, the District has commitments to lease copiers, 3D printers and computers under operating leases which expire in 2021-22, 2022-23 and 2024-25. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 751,563
2022	751,563
2023	8,775
2024	2,280
2025	<u>190</u>
Total future minimum lease payments	<u>\$ 1,514,371</u>

NOTE 21. SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the District's normal financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. The District's state aid in the General Fund was reduced after their budget was adopted due to the reduction of state aid provided to certain school districts by the State of New Jersey. Also, there have been additional operating expenses in the General Fund not planned for or expected at the time of the adoption of the District's 2020-21 budget related to COVID-19.

Additionally, the District's cash flow in the Governmental Funds may be affected by the timing of the collection of the District's tax levy as well as certain State aid payments.

The District's Food Service Enterprise Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2021 as follows: For the start of FY21, food service operations have shifted from in-person serving to serving by pick-up of boxed to-go lunches for many of our students. Due to the adjusted schedule, only students in our self-contained classes eat lunch in the schools and they do so in their classroom. Based on changes to Federal and State Department of Agriculture guidelines, all students that order a meal, receive their lunch at no cost. Submission for reimbursements are then made to the State monthly for the lunches that are served. There is no other revenue currently.

The District's Region I Transportation Enterprise Fund has been impacted by COVID-19 for the fiscal year ending 30, 2021 as follows: Although ridership has decreased, transportation costs for FY21 have increased slightly due to the nature of the schedule that was selected for the K-5 students. With an additional run in the middle of the day, an amendment was made to the existing transportation contracts for these costs. The District made the decision to maintain routes to ensure there would not be the need to re-bid for services when school resumes for all students.

Additionally, the District refunded the 3 remaining payments due on their 2009 School Refunding Bonds totaling \$1,260,000 with an interest rate of 5.000% in July 2020. The District issued 2020 School Refunding Bonds in the amount of \$1,317,000 with an interest rate of 1.067%. The savings in principal and interest on the 2020 School Refunding bonds is \$40,645.

**REQUIRED SUPPLEMENTARY INFORMATION**

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
 LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's proportion of the net pension liability	0.0636181678%	0.0628894962%	0.0602580602%	0.0599611482%	0.0615131394%
District's proportionate share of the net pension liability	\$ 11,911,061	\$ 14,117,432	\$ 17,846,709	\$ 13,957,997	\$ 12,111,631
District's covered employee payroll	\$ 4,257,820	\$ 4,130,496	\$ 4,142,788	\$ 4,291,979	\$ 4,240,155
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	279.75%	341.79%	430.79%	325.21%	285.64%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%
	Fiscal Year Ending June 30, 2020				
District's proportion of the net pension liability	0.0606555673%				
District's proportionate share of the net pension liability	\$ 10,929,213				
District's covered employee payroll	\$ 4,331,687				
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	252.31%				
Plan fiduciary net position as a percentage of the total pension liability	56.27%				

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 524,459	\$ 540,681	\$ 535,324	\$ 564,328	\$ 632,594
Contributions in relation to the contractually required contribution	<u>(524,459)</u>	<u>(540,681)</u>	<u>(535,324)</u>	<u>(564,328)</u>	<u>(632,594)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 4,130,496	\$ 4,142,788	\$ 4,291,979	\$ 4,240,155	\$ 4,331,687
Contributions as a percentage of covered employee payroll	12.70%	13.05%	12.47%	13.31%	14.60%

	Fiscal Year Ending June 30, 2020
Contractually required contribution	\$ 591,839
Contributions in relation to the contractually required contribution	<u>(591,839)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>
District's covered employee payroll	\$ 4,214,133
Contributions as a percentage of covered employee payroll	14.04%

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



TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE  
 NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT  
 TEACHERS' PENSION AND ANNUITY FUND  
 LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
State's proportion of the net pension liability attributable to the District	0.2361649679%	0.2427921080%	0.2446592460%	0.2417091642%	0.2261037579%
State's proportionate share of the net pension liability attributable the District	\$ 126,222,489	\$ 153,454,980	\$ 192,464,540	\$ 162,969,034	\$ 143,842,354
District's covered employee payroll	\$ 24,275,683	\$ 24,508,618	\$ 23,984,530	\$ 23,663,322	\$ 25,117,473
State's proportionate share of the net pension liability attributable to the District as a percentage of District's covered employee payroll	519.95%	626.13%	802.45%	688.70%	572.68%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%
	<u>Fiscal Year Ending June 30, 2020</u>				
State's proportion of the net pension liability attributable to the District	0.2312923265%				
State's proportionate share of the net pension liability attributable the District	\$ 141,946,284				
District's covered employee payroll	\$ 26,033,263				
State's proportionate share of the net pension liability attributable to the District as a percentage of District's covered employee payroll	545.25%				
Plan fiduciary net position as a percentage of the total pension liability	26.95%				

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 6,791,955	\$ 9,369,808	\$ 14,461,032	\$ 11,289,669	\$ 8,385,506
Contributions in relation to the contractually required contribution	(1,312,623)	(1,958,837)	(2,623,690)	(3,329,710)	(4,548,960)
Contribution deficiency/(excess)	<u>\$ 5,479,332</u>	<u>\$ 7,410,971</u>	<u>\$ 11,837,342</u>	<u>\$ 7,959,959</u>	<u>\$ 3,836,546</u>
District's covered employee payroll	\$ 24,508,618	\$ 23,984,530	\$ 23,663,322	\$ 25,117,473	\$ 26,033,263
Contributions as a percentage of covered employee payroll	5.36%	8.17%	11.09%	13.26%	17.47%
	<u>Fiscal Year Ending June 30, 2020</u>				
Contractually required contribution	\$ 8,372,371				
Contributions in relation to the contractually required contribution	(5,276,760)				
Contribution deficiency/(excess)	<u>\$ 3,095,611</u>				
District's covered employee payroll	\$ 27,021,314				
Contributions as a percentage of covered employee payroll	19.53%				

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL  
OPEB LIABILITY ATTRIBUTABLE TO THE DISTRICT AND RELATED RATIOS  
LAST THREE FISCAL YEARS

	Fiscal Year Ending		
	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability			
Service Cost	\$ 3,450,735	\$ 3,912,435	\$ 4,723,448
Interest	3,867,767	4,118,093	3,561,710
Difference Between Expected and Actual Experience	(15,610,147)	(8,860,523)	
Changes in Assumptions	1,314,904	(11,222,184)	(14,902,456)
Member Contributions	80,247	90,376	95,838
Gross Benefit Payments	(2,707,137)	(2,614,938)	(2,602,711)
Net Change in Total OPEB Liability	(9,603,631)	(14,576,741)	(9,124,171)
Total OPEB Liability - Beginning	97,792,542	112,369,283	121,493,454
Total OPEB Liability - Ending	<u>\$ 88,188,911</u>	<u>\$ 97,792,542</u>	<u>\$ 112,369,283</u>
District's Covered Employee Payroll *	\$ 29,357,628	\$ 27,955,301	\$ 28,127,318
Total OPEB Liability as a Percentage of Covered Employee Payroll	300%	350%	400%

\* - Covered payroll for the fiscal years ending June 30, 2017 - 2019 is based on the payroll on the June 30, 2016 - 2018 census data, respectively.

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

	As of June 30,	
	2019	2018
Discount Rate	6.28%	5.66%
Municipal Bond Rate	3.50%	3.87%
Inflation Rate		2.25%
Inflation Rate:		
Price	2.75%	
Wage	3.25%	
Salary Increases:		
Through 2026 Based on Age		1.65% - 4.15%
Through 2026 Based on Years of Service	2.00% - 6.00%	
Thereafter Based on Age		2.65% - 5.15%
Thereafter Based on Years of Service	3.00% - 7.00%	

The July 1, 2017 actuarial valuation utilized the following mortality rate assumptions:

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the plan actuary's modified MP-2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The July 1, 2018 actuarial valuation utilized the following mortality rate assumptions:

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 a 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-2019.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

	As of June 30,	
	2019	2018
Discount Rate	5.60%	4.86%
Municipal Bond Rate	3.50%	3.87%
Inflation Rate		2.25%
Inflation Rate:		
Price	2.75%	
Wage	3.25%	
Salary Increases:		
2011 - 2026 Based on Age		1.55% - 4.55%
Through 2026 Based on Years of Service	1.55% - 4.45%	
Thereafter Based on Age		2.00% - 5.45%
Thereafter Based on Years of Service	2.75% - 5.65%	

The July 1, 2017 actuarial valuation utilized the following mortality rate assumptions:

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The July 1, 2018 actuarial valuation utilized the following mortality rate assumptions:

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 a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

The mortality rates utilized in the June 30, 2018 valuation were as follows:

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using scale MP-2017. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using scale MP-2017. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using scale MP-2017.

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement 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-2019. Post-retirement 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-2019. 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-2019.

The health care trend rates utilized in the June 30, 2018 valuation were as follows:

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The assumed Medicare Advantage trend rate is 4.5% in all future years.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**BUDGETARY COMPARISON SCHEDULES**

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 63,515,128		\$ 63,515,128	\$ 63,515,128	\$ 353,219
Unrestricted Miscellaneous Revenues	15,000		15,000	368,219	44,209
Interest Earned on Capital Reserve Funds	100		100	1,900	1,800
Interest Earned on Emergency Reserve Funds	100		100	57,545	(132,455)
Other Restricted Miscellaneous Revenues	190,000		190,000		
<b>Total - Local Sources</b>	<b>63,720,328</b>		<b>63,720,328</b>	<b>63,987,101</b>	<b>266,773</b>
State Sources:					
Transportation Aid	636,428		636,428	636,428	
Extraordinary Special Education Costs Aid	250,000		250,000	813,842	563,842
Special Education Categorical Aid	2,181,669		2,181,669	2,181,669	
Categorical Security Aid	59,339		59,339	59,339	
Nonpublic School Transportation Costs				17,499	17,499
On-Behalf TPAF Contributions (Non-Budgeted):					
Post-Retirement Medical Benefits				1,992,669	1,992,669
Pension				5,276,760	5,276,760
Non-Contributory Insurance				94,580	94,580
Long-Term Disability Insurance				3,963	3,963
Reimbursed TPAF Social Security (Non-Budgeted)				1,914,561	1,914,561
<b>Total State Sources</b>	<b>3,127,436</b>		<b>3,127,436</b>	<b>12,991,310</b>	<b>9,863,874</b>
Federal Sources:					
Medicaid Reimbursement (SEMI)	33,520		33,520	32,395	(1,125)
<b>Total Federal Sources</b>	<b>33,520</b>		<b>33,520</b>	<b>32,395</b>	<b>(1,125)</b>
<b>TOTAL REVENUES</b>	<b>66,881,284</b>		<b>66,881,284</b>	<b>77,010,806</b>	<b>10,129,522</b>



TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 948,303	\$ (136,239)	\$ 812,064	\$ 743,114	\$ 68,950
Grades 1-5 - Salaries of Teachers	4,979,010	142,192	5,121,202	5,000,981	120,221
Grades 6-8 - Salaries of Teachers	3,870,020	(42,637)	3,827,383	3,674,707	152,676
Grades 9-12 - Salaries of Teachers	5,997,005	27,759	6,024,764	5,825,587	199,177
Regular Programs - Home Instruction:					
Salaries of Teachers	35,000		35,000	22,045	12,955
Purchased Professional - Educational Services	20,000	9,888	29,888	28,400	1,488
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	666,646	(233,902)	432,744	407,971	24,773
Purchased Professional - Educational Services	400,000		400,000	240,558	159,442
Other Purchased Services (400-500 series)	779,350		779,350	718,896	60,454
General Supplies	1,335,980	17,591	1,353,571	839,536	514,035
Textbooks	165,624	6,509	172,133	127,760	44,373
Other Objects	63,062		63,062	21,209	41,853
<b>Total Regular Programs - Instruction</b>	<b>19,260,000</b>	<b>(208,839)</b>	<b>19,051,161</b>	<b>17,650,764</b>	<b>1,400,397</b>
<b>Special Education - Instruction:</b>					
Learning and/or Language Disabilities:					
Salaries of Teachers	585,929	170,095	756,024	726,192	29,832
Other Salaries for Instruction	273,206	(57,961)	215,245	215,091	154
General Supplies	43,937		43,937	36,943	6,994
Textbooks	1,161		1,161	450	711
<b>Total Learning and/or Language Disabilities</b>	<b>904,233</b>	<b>112,134</b>	<b>1,016,367</b>	<b>978,676</b>	<b>37,691</b>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Special Education - Instruction: (Cont'd)					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 3,940,634	\$ 238,097	\$ 4,178,731	\$ 4,148,821	\$ 29,910
Other Salaries for Instruction	149,789	14,280	164,069	164,069	
General Supplies	39,955	2,193	42,148	33,904	8,244
Textbooks	5,092		5,092	2,521	2,571
<b>Total Resource Room/Resource Center</b>	<b>4,135,470</b>	<b>254,570</b>	<b>4,390,040</b>	<b>4,349,315</b>	<b>40,725</b>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	198,118	(7,673)	190,445	190,445	
Other Salaries for Instruction	64,960	(10,234)	54,726	54,725	1
General Supplies	3,313	584	3,897	3,880	17
<b>Total Preschool Disabilities - Part-Time</b>	<b>266,391</b>	<b>(17,323)</b>	<b>249,068</b>	<b>249,050</b>	<b>18</b>
Home Instruction:					
Salaries of Teachers	40,000		40,000	7,828	32,172
Purchased Professional - Educational Services	15,000		15,000		15,000
<b>Total Home Instruction</b>	<b>55,000</b>		<b>55,000</b>	<b>7,828</b>	<b>47,172</b>
<b>Total Special Education Instruction</b>	<b>5,361,094</b>	<b>349,381</b>	<b>5,710,475</b>	<b>5,584,869</b>	<b>125,606</b>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,010,451	(57,317)	953,134	889,060	64,074
General Supplies	29,060	3	29,063	14,506	14,557
Textbooks	5,350		5,350	1,525	3,825
<b>Total Basic Skills/Remedial - Instruction</b>	<b>1,044,861</b>	<b>(57,314)</b>	<b>987,547</b>	<b>905,091</b>	<b>82,456</b>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 222,853	\$ (8,885)	\$ 213,968	\$ 213,967	\$ 1
General Supplies	3,688	12,433	16,121	15,899	222
<b>Total Bilingual Education - Instruction</b>	<b>226,541</b>	<b>3,548</b>	<b>230,089</b>	<b>229,866</b>	<b>223</b>
<b>School-Sponsored Cocurricular Activities - Instruction:</b>					
Salaries	383,715	96,879	480,594	480,592	2
Supplies and Materials	17,291	(14,882)	2,409	2,409	
Other Objects	26,800	(14,503)	12,297	12,296	1
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>427,806</b>	<b>67,494</b>	<b>495,300</b>	<b>495,297</b>	<b>3</b>
<b>School-Sponsored Cocurricular Athletics - Instruction:</b>					
Salaries	562,578	29,653	592,231	585,306	6,925
Purchased Services (300-500 series)	142,083	(49,057)	93,026	76,810	16,216
Supplies and Materials	137,905		137,905	117,322	20,583
Other Objects	17,206		17,206	10,859	6,347
<b>Total School-Sponsored Cocurricular Athletics - Instruction</b>	<b>859,772</b>	<b>(19,404)</b>	<b>840,368</b>	<b>790,297</b>	<b>50,071</b>
<b>Total Instruction</b>	<b>27,180,074</b>	<b>134,866</b>	<b>27,314,940</b>	<b>25,656,184</b>	<b>1,658,756</b>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 1,437,769	\$ 160,711	\$ 1,598,480	\$ 1,435,164	\$ 163,316
Tuition to County Vocational Schools - Regular	535,508		535,508	438,535	96,973
Tuition to County Vocational Schools - Special	121,500		121,500	66,339	55,161
Tuition to County Special Services Schools and Regional Day Schools	1,292,025	(142,350)	1,149,675	886,777	262,898
Tuition to Private Schools for the Disabled - Within the State	2,553,034	(579,697)	1,973,337	1,786,216	187,121
Tuition to Private Schools for the Disabled and Other LEA's - Outside the State	50,000	42,633	92,633	92,633	
<b>Total Undistributed Expenditures - Instruction</b>	<b>5,989,836</b>	<b>(518,703)</b>	<b>5,471,133</b>	<b>4,705,664</b>	<b>765,469</b>
<b>Health Services:</b>					
Salaries	497,312	6,459	503,771	503,768	3
Purchased Professional and Technical Services	29,500	(3,334)	26,166	24,205	1,961
Supplies and Materials	11,272	11,270	22,542	17,144	5,398
<b>Total Health Services</b>	<b>538,084</b>	<b>14,395</b>	<b>552,479</b>	<b>545,117</b>	<b>7,362</b>
<b>Speech, OT, PT and Related Services:</b>					
Salaries	410,250	(6,563)	403,687	403,687	
Purchased Professional - Educational Services	2,666,550	(905,394)	1,761,156	1,450,289	310,867
Supplies and Materials	8,000		8,000	3,315	4,685
Other Objects	10,000	2,042	12,042	10,752	1,290
<b>Total - Speech, OT, PT and Related Services</b>	<b>3,094,800</b>	<b>(909,915)</b>	<b>2,184,885</b>	<b>1,868,043</b>	<b>316,842</b>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Other Support Services - Students - Extraordinary Services:					
Salaries	\$ 1,406,065	\$ 275,258	\$ 1,681,323	\$ 1,681,322	\$ 1
Purchased Professional - Educational Services		641,206	641,206	393,130	248,076
Other Objects		2,500	2,500	1,084	1,416
<b>Total Other Support Services - Students - Extraordinary Services</b>	<b>1,406,065</b>	<b>918,964</b>	<b>2,325,029</b>	<b>2,075,536</b>	<b>249,493</b>
Guidance:					
Salaries of Other Professional Staff	860,389	70,412	930,801	924,648	6,153
Salaries of Secretarial and Clerical Assistants	92,520	(2,479)	90,041	90,040	1
Other Purchased Professional and Technical Services	6,000	3,416	9,416	9,416	
Supplies and Materials	37,670	(2,300)	35,370	27,041	8,329
Other Objects	137,061	(2,616)	134,445	96,379	38,066
<b>Total Guidance</b>	<b>1,133,640</b>	<b>66,433</b>	<b>1,200,073</b>	<b>1,147,524</b>	<b>52,549</b>
Child Study Team:					
Salaries of Other Professional Staff	1,502,128	86,156	1,588,284	1,585,284	3,000
Salaries of Secretarial and Clerical Assistants	109,411	3,105	112,516	112,516	
Other Purchased Services (400-500 series)	12,500	(4,742)	7,758	2,116	5,642
Supplies and Materials	15,217	(4,538)	10,679	10,263	416
Other Objects	5,000	(323)	4,677	4,401	276
<b>Total Child Study Team</b>	<b>1,644,256</b>	<b>79,658</b>	<b>1,723,914</b>	<b>1,714,580</b>	<b>9,334</b>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 168,233	\$ 4,665	\$ 172,898	\$ 172,898	
Salaries of Other Professional Staff	1,098,199	35,776	1,133,975	1,133,974	\$ 1
Salaries of Secretarial and Clerical Assistants	48,882	4,118	53,000	53,000	
Other Salaries	50,000	(21,087)	28,913	28,912	1
Other Purchased Professional and Technical Services	15,600	18,563	34,163	30,962	3,201
Other Purchased Services (400-500 series)	10,000	(8,785)	1,215	1,214	1
Supplies and Materials	4,750	(3,244)	1,506	1,505	1
Other Objects	5,000	(3,543)	1,457	1,456	1
<b>Total Improvement of Instructional Services</b>	<b>1,400,664</b>	<b>26,463</b>	<b>1,427,127</b>	<b>1,423,921</b>	<b>3,206</b>
<b>Educational Media Services/School Library:</b>					
Salaries	451,761	10,626	462,387	410,854	51,533
Supplies and Materials	332,984	(27,031)	305,953	194,462	111,491
Other Objects	9,894		9,894	9,673	221
<b>Total Educational Media Services/School Library</b>	<b>794,639</b>	<b>(16,405)</b>	<b>778,234</b>	<b>614,989</b>	<b>163,245</b>
<b>Instructional Staff Training Services:</b>					
Other Salaries	15,000		15,000	10,219	4,781
Purchased Professional - Educational Services	2,000		2,000	945	1,055
Other Purchased Professional and Technical Services	66,600		66,600	49,158	17,442
Other Purchased Services (400-500 series)	10,000	3,021	13,021	13,020	1
Supplies and Materials	15,000	(2,221)	12,779	161	12,618
Other Objects	1,000		1,000	23	977
<b>Total Instructional Staff Training Services</b>	<b>109,600</b>	<b>800</b>	<b>110,400</b>	<b>73,526</b>	<b>36,874</b>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Support Services - General Administration:					
Salaries	\$ 287,489	\$ (25,503)	\$ 261,986	\$ 261,839	\$ 147
Legal Services	100,000	2,975	102,975	87,679	15,296
Audit Fees	77,000	(1,500)	75,500	33,000	42,500
Architectural/Engineering Services	5,000	(3,000)	2,000	2,000	
Other Purchased Professional Services	46,391	(19,161)	27,230	24,839	2,391
Purchased Technical Services	41,000	(6,327)	34,673	34,671	2
Communications/Telephone	244,250	90,278	334,528	122,248	212,280
BOE Other Purchased Services	5,500	1,678	7,178	5,353	1,825
General Supplies	14,000	(13,478)	522	521	1
BOE In-House Training/Meeting Supplies	3,300		3,300	1,920	1,380
Miscellaneous Expenditures	17,500		17,500	4,862	12,638
BOE Membership Dues and Fees	31,000	(1,825)	29,175	29,174	1
<b>Total Support Services - General Administration</b>	<b>872,430</b>	<b>24,137</b>	<b>896,567</b>	<b>608,106</b>	<b>288,461</b>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,476,227	119,730	1,595,957	1,592,189	3,768
Salaries of Other Professional Staff		10,741	10,741	10,739	2
Salaries of Secretarial and Clerical Assistants	684,793	24,765	709,558	701,439	8,119
Purchased Professional and Technical Services	10,000		10,000	2,420	7,580
Other Purchased Services (400-500 series)	15,000	(12,600)	2,400	2,341	59
Supplies and Materials	139,882	(2,053)	137,829	106,478	31,351
Other Objects	50,673	(10,185)	40,488	30,969	9,519
<b>Total Support Services - School Administration</b>	<b>2,376,575</b>	<b>130,398</b>	<b>2,506,973</b>	<b>2,446,575</b>	<b>60,398</b>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Central Services:					
Salaries	\$ 805,593	\$ (76,738)	\$ 728,855	\$ 728,854	\$ 1
Purchased Technical Services	138,700	(3,681)	135,019	130,819	4,200
Miscellaneous Purchased Services (400-500 series)	7,000	(3,985)	3,015	3,014	1
Supplies and Materials	21,812	(7,665)	14,147	12,764	1,383
Miscellaneous Expenditures	14,000		14,000	12,860	1,140
Total Central Services	987,105	(92,069)	895,036	888,311	6,725
Administration Information Technology:					
Salaries	444,097	9,075	453,172	453,171	1
Purchased Professional Services	221,000	25,987	246,987	245,378	1,609
Other Purchased Services (400-500 series)	20,580	(18,870)	1,710	1,710	
Supplies and Materials	176,941	102,516	279,457	271,450	8,007
Other Objects		475	475	475	
Total Administration Information Technology	862,618	119,183	981,801	972,184	9,617
Required Maintenance for School Facilities:					
Salaries	492,499	(7,233)	485,266	466,960	18,306
Cleaning, Repair and Maintenance Services	1,497,499	344,952	1,842,451	1,090,880	751,571
General Supplies	138,798	34,145	172,943	102,603	70,340
Total Required Maintenance for School Facilities	2,128,796	371,864	2,500,660	1,660,443	840,217



TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 140,621	\$ (445)	\$ 140,176	\$ 133,550	\$ 6,626
Purchased Professional and Technical Services	1,758,000	32,082	1,790,082	1,725,819	64,263
Cleaning, Repair and Maintenance Services	645,951	(29,942)	616,009	560,155	55,854
Insurance	326,000	17,304	343,304	343,304	
Miscellaneous Purchased Services	65,477	(77)	65,400	60,442	4,958
General Supplies	312,323	(48,862)	263,461	191,901	71,560
Energy (Natural Gas)	305,000	(87,136)	217,864	190,055	27,809
Energy (Electricity)	921,000	(102,689)	818,311	728,174	90,137
Other Objects		5,346	5,346		5,346
Total Custodial Services	4,474,372	(214,419)	4,259,953	3,933,400	326,553
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	307,745	(110,120)	197,625	164,950	32,675
Total Care and Upkeep of Grounds	307,745	(110,120)	197,625	164,950	32,675
Security:					
Purchased Professional and Technical Services	50,000	(2,327)	47,673	47,673	
Cleaning, Repair and Maintenance Services	40,000	(5,303)	34,697	34,697	34,697
General Supplies	167,049	4,013	171,062	166,496	4,566
Total Security	257,049	(3,617)	253,432	214,169	39,263

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	\$ 366,879	\$ (8,521)	\$ 358,358	\$ 358,357	\$ 1
Other Than Between Home and School - Regular	50,000	(540)	49,460	38,062	11,398
Other Purchased Professional and Technical Services		2,950	2,950	2,950	
Cleaning, Repair and Maintenance Services	42,707		42,707	30,159	12,548
Contracted Services:					
Aid in Lieu Payments - Nonpublic Schools	140,000	(4,981)	135,019	77,856	57,163
Between Home and School - Vendors	1,657,000	(22,960)	1,634,040	1,433,302	200,738
Other Than Between Home and School - Vendors	254,375		254,375	146,879	107,496
Special Education Students - Vendors	30,000	(303)	29,697	9,710	19,987
Regular Students - ESCs & CTAS	256,000	(48,380)	207,620	201,615	6,005
Special Education Students - ESCs & CTAS	1,310,000	216,923	1,526,923	1,526,923	
Miscellaneous Purchased Services	12,100		12,100	7,613	4,487
General Supplies	76,722		76,722	46,223	30,499
<b>Total Student Transportation Services</b>	<b>4,195,783</b>	<b>134,188</b>	<b>4,329,971</b>	<b>3,879,649</b>	<b>450,322</b>
Unallocated Benefits:					
Group Insurance	16,000		16,000	15,120	880
Social Security Contributions	650,000	4,021	654,021	635,995	18,026
Other Retirement Contributions - PERS	683,000	(7,981)	675,019	559,669	115,350
Other Retirement Contributions - Regular	50,000		50,000	43,215	6,785
Workmen's Compensation	200,000		200,000	197,245	2,755
Health Benefits	8,905,000	(462,392)	8,442,608	7,489,585	953,023
Tuition Reimbursement	139,484	50,000	189,484	131,780	57,704
Other Employee Benefits	151,160	4,650	155,810	103,739	52,071
Unused Sick Payment to Terminated/Retired Staff	275,000		275,000	213,921	61,079
<b>Total Unallocated Benefits</b>	<b>11,069,644</b>	<b>(411,702)</b>	<b>10,657,942</b>	<b>9,390,269</b>	<b>1,267,673</b>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
On-Behalf TPAF Contributions (Non-Budgeted):					
Post-Retirement Medical Benefits				\$ 1,992,669	\$ (1,992,669)
Pension				5,276,760	(5,276,760)
Non-Contributory Insurance				94,580	(94,580)
Long-Term Disability Insurance				3,963	(3,963)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				1,914,561	(1,914,561)
Total On-Behalf and Reimbursed TPAF Contributions				9,282,533	(9,282,533)
Total Personal Services - Employee Benefits	\$ 11,069,644	\$ (411,702)	\$ 10,657,942	18,672,802	(8,014,860)
Total Undistributed Expenses	43,643,701	(390,467)	43,253,234	47,609,489	(4,356,255)
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>70,823,775</b>	<b>(255,601)</b>	<b>70,568,174</b>	<b>73,265,673</b>	<b>(2,697,499)</b>
<b>CAPITAL OUTLAY</b>					
Equipment:					
Undistributed Expenditures:					
Instruction		5,595	5,595	5,595	
Administration Information Technology		249,544	249,544	249,544	
Required Maintenance for School Facilities		103,008	103,008		103,008
Custodial Services		19,292	19,292	19,292	
Total Equipment		377,439	377,439	274,431	103,008
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	33,048	76,810	109,858	77,739	32,119
Other Purchased Professional and Technical Services	94,001	6,807	100,808	95,182	5,626
Construction Services	987,617	1,648,308	2,635,925	1,963,838	672,087
Buildings - Other than Lease Purchase Agreements	251,504	219,097	470,601	226,543	244,058
Assessment for Debt Service on SDA Funding	79,684		79,684	79,684	
Total Facilities Acquisition and Construction Services	1,445,854	1,951,022	3,396,876	2,442,986	953,890

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL CAPITAL OUTLAY	\$ 1,445,854	\$ 2,328,461	\$ 3,774,315	\$ 2,717,417	\$ 1,056,898
TOTAL EXPENDITURES	72,269,629	2,072,860	74,342,489	75,983,090	(1,640,601)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(5,388,345)	(2,072,860)	(7,461,205)	1,027,716	8,488,921
Fund Balance, July 1	16,110,112		16,110,112	16,110,112	
Fund Balance, June 30	<u>\$ 10,721,767</u>	<u>\$ (2,072,860)</u>	<u>\$ 8,648,907</u>	<u>\$ 17,137,828</u>	<u>\$ 8,488,921</u>

Recapitulation:

Restricted:	
Excess Surplus	\$ 2,876,339
Excess Surplus - Designated for Subsequent Year's Expenditures	2,348,374
Capital Reserve	6,136,618
Maintenance Reserve	750,000
Emergency Reserve	508,900
Assigned:	
Year-End Encumbrances	2,399,596
Designated for Subsequent Year's Expenditures July 1, 2020 - August 1, 2020	202,649
Unassigned	<u>1,915,352</u>
	<u>17,137,828</u>

Reconciliation to Governmental Funds Statement (GAAP):

June State Aid Payments not Recognized on GAAP Basis	(208,287)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 16,929,541</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 16,500	\$ 12,283	\$ 28,783	\$ 20,028	\$ (8,755)
Federal Sources	702,000	259,022	961,022	927,491	(33,531)
Local Sources		146,870	146,870	96,208	(50,662)
<b>Total Revenues</b>	<b>718,500</b>	<b>418,175</b>	<b>1,136,675</b>	<b>1,043,727</b>	<b>(92,948)</b>
<b>EXPENDITURES:</b>					
Instruction					
Personal Services - Salaries	213,500	(124,534)	88,966	88,966	
Tuition	474,000	170,222	644,222	644,222	
General Supplies	9,500	45,833	55,333	25,329	30,004
Textbooks	1,500	345	1,845	1,723	122
Other Objects	15,000	158,818	173,818	114,513	59,305
<b>Total Instruction</b>	<b>713,500</b>	<b>250,684</b>	<b>964,184</b>	<b>874,753</b>	<b>89,431</b>
Support Services					
Personal Services - Salaries	5,000	91,141	96,141	96,141	
Personal Services - Employee Benefits		22,187	22,187	21,589	598
Other Purchased Services		51,244	51,244	51,244	
Supplies and Materials		2,919	2,919		2,919
<b>Total Support Services</b>	<b>5,000</b>	<b>167,491</b>	<b>172,491</b>	<b>168,974</b>	<b>3,517</b>
<b>Total Expenditures</b>	<b>718,500</b>	<b>418,175</b>	<b>1,136,675</b>	<b>1,043,727</b>	<b>92,948</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 77,010,806	\$ 1,043,727
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		
Current Year Encumbrances		(10,575)
Cancellation of Prior Year Encumbrances		(1,140)
Prior Year Encumbrances		4,737
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	141,313	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(208,287)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 76,943,832</u>	<u>\$ 1,036,749</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 75,983,090	\$ 1,043,727
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, not in the Year the Supplies are Received for Financial Reporting Purposes		
Current Year Encumbrances		(10,575)
Cancellation of Prior Year Encumbrances		(1,140)
Prior Year Encumbrances		<u>4,737</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 75,983,090</u>	<u>\$ 1,036,749</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2020 was submitted to the County office and was approved by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments for the current year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

**SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)**



**SPECIAL REVENUE FUND**

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Elementary and Secondary Education Act						
	Title I	Title IIA	Title III		Title IV	IDEA - Part B, Basic	
			Immigrant	Preschool		Regular	Preschool
<b>REVENUE:</b>							
State Sources							
Federal Sources	\$ 201,927	\$ 51,244	\$ 4,769	\$ 25,329	\$ 611,614	\$ 32,608	
Local Sources							
<b>Total Revenue</b>	<b>\$ 201,927</b>	<b>\$ 51,244</b>	<b>\$ 4,769</b>	<b>\$ 25,329</b>	<b>\$ 611,614</b>	<b>\$ 32,608</b>	
<b>EXPENDITURES:</b>							
Instruction:							
Personal Services - Salaries	\$ 88,966						
Tuition							
General Supplies			\$ 25,329		\$ 611,614	\$ 32,608	
Textbooks							
Other Objects							
<b>Total Instruction</b>	<b>88,966</b>			<b>25,329</b>	<b>611,614</b>	<b>32,608</b>	
Support Services:							
Personal Services - Salaries	91,372		\$ 4,769				
Personal Services - Employee Benefits	21,589						
Other Purchased Services		\$ 51,244					
<b>Total Support Services</b>	<b>112,961</b>	<b>51,244</b>	<b>4,769</b>				
<b>Total Expenditures</b>	<b>\$ 201,927</b>	<b>\$ 51,244</b>	<b>\$ 4,769</b>	<b>\$ 25,329</b>	<b>\$ 611,614</b>	<b>\$ 32,608</b>	

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Nonpublic Handicapped Services (Chapter 193)				NJ Nonpublic	
	Supplementary Instruction	Examination & Classification	Corrective Speech	Security	Technology	
REVENUE:						
State Sources	\$ 971	\$ 2,045	\$ 5,468	\$ 5,446	\$ 1,090	
Federal Sources						
Local Sources						
Total Revenue	<u>\$ 971</u>	<u>\$ 2,045</u>	<u>\$ 5,468</u>	<u>\$ 5,446</u>	<u>\$ 1,090</u>	
EXPENDITURES:						
Instruction:						
Personal Services - Salaries						
Tuition						
General Supplies						
Textbooks						
Other Objects	\$ 971	\$ 2,045	\$ 5,468	\$ 5,446	\$ 1,090	
Total Instruction	<u>971</u>	<u>2,045</u>	<u>5,468</u>	<u>5,446</u>	<u>1,090</u>	
Support Services:						
Personal Services - Salaries						
Personal Services - Employee Benefits						
Other Purchased Services						
Total Support Services						
Total Expenditures	<u>\$ 971</u>	<u>\$ 2,045</u>	<u>\$ 5,468</u>	<u>\$ 5,446</u>	<u>\$ 1,090</u>	

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	NJ Nonpublic		Local Programs			Totals June 30, 2020
	Textbooks	Nursing	Mahwah School Foundation	Mahwah Home School Organization	Other	
<b>REVENUE:</b>						
State Sources	\$ 1,723	\$ 3,285				\$ 20,028
Federal Sources			\$ 61,416	\$ 16,000	\$ 18,792	927,491
Local Sources						96,208
<b>Total Revenue</b>	<b>\$ 1,723</b>	<b>\$ 3,285</b>	<b>\$ 61,416</b>	<b>\$ 16,000</b>	<b>\$ 18,792</b>	<b>\$ 1,043,727</b>
<b>EXPENDITURES:</b>						
Instruction:						
Personal Services - Salaries						\$ 88,966
Tuition						644,222
General Supplies						25,329
Textbooks	\$ 1,723					1,723
Other Objects			\$ 61,416	\$ 16,000	\$ 18,792	114,513
<b>Total Instruction</b>	<b>1,723</b>	<b>3,285</b>	<b>61,416</b>	<b>16,000</b>	<b>18,792</b>	<b>874,753</b>
Support Services:						
Personal Services - Salaries						96,141
Personal Services - Employee Benefits						21,589
Other Purchased Services						51,244
<b>Total Support Services</b>						<b>168,974</b>
<b>Total Expenditures</b>	<b>\$ 1,723</b>	<b>\$ 3,285</b>	<b>\$ 61,416</b>	<b>\$ 16,000</b>	<b>\$ 18,792</b>	<b>\$ 1,043,727</b>

**CAPITAL PROJECTS FUND  
(NOT APPLICABLE)**

**PROPRIETARY FUNDS**

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Business-Type Activities - Enterprise Funds						
	Major Funds			Non-Major Funds			
	Region I	Administration	Region I Summer School	Food Service	Non-Major Funds	Total Region I	Total Enterprise Funds
ASSETS:							
Current Assets:							
Cash and Cash Equivalents	\$	358,477	\$	35,152	\$	326,580	\$
Receivable from:							
Federal Government				4,782	4,782		4,782
State Government				2,011	2,011		2,011
Other Governmental Units	\$	963,218	7,121			970,339	970,339
Accounts Receivable - Other				6,239	6,239		6,239
Inventories				15,756	15,756		15,756
Total Current Assets	963,218	365,598	35,152	355,368	390,520	1,363,968	1,719,336
Non-Current Assets:							
Capital Assets				473,701	473,701		473,701
Less: Accumulated Depreciation				(322,667)	(322,667)		(322,667)
Total Non-Current Assets				151,034	151,034		151,034
Total Assets	963,218	365,598	35,152	506,402	541,554	1,363,968	1,870,370
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred Outflows Related to Pensions		115,929				115,929	115,929
Total Deferred Outflows of Resources		115,929				115,929	115,929

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Business-Type Activities - Enterprise Funds							Total Enterprise Funds
	Major Funds			Non-Major Funds				
	Region I Transportation	Administration	Region I Summer School	Food Service	Non-Major Funds	Total Region I	Total	
<b>LIABILITIES:</b>								
Current Liabilities:								
Interfund Payable - General Fund	\$ 686,701			\$ 39,697	\$ 39,697	\$ 686,701	\$ 726,398	
Accounts Payable	3,551	\$ 35,108		13,880	13,880	38,659	52,539	
Unearned Revenue:								
Prepaid Student Balances				47,490	47,490		47,490	
Commodities				7,687	7,687		7,687	
Noncurrent Liabilities:								
Due Beyond One Year		590,178				590,178	590,178	
Total Liabilities	690,252	625,286		108,754	108,754	1,315,538	1,424,292	
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Deferred Inflows Related to Pensions		237,818				237,818	237,818	
Total Deferred Inflows of Resources		237,818				237,818	237,818	
<b>NET POSITION:</b>								
Investment in Capital Assets				151,034	151,034		151,034	
Unrestricted/(Deficit)	272,966	(381,577)	\$ 35,152	246,614	281,766	(73,459)	173,155	
Total Net Position (Deficit)	\$ 272,966	\$ (381,577)	\$ 35,152	\$ 397,648	\$ 432,800	\$ (73,459)	\$ 324,189	



TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUNDS NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds						
	Major Funds			Non-Major Funds			
	Region I Transportation	Administration	Region I Summer School	Food Service	Non-Major Funds	Total Region I	Total Enterprise Funds
Operating Revenue:							
Charges for Services:							
Daily Sales:							
Reimbursable Programs				\$ 243,557	\$ 243,557		\$ 243,557
Non-Reimbursable Programs				388,465	388,465		388,465
Program Fees	\$	388,442	\$	117,332	117,332	\$	505,774
Transportation Fees from Other LEA's Within the State	\$	12,012,030				12,012,030	12,012,030
		12,012,030		117,332	749,354	12,517,804	13,149,826
Special Events				4,192	4,192		4,192
Total Operating Revenue		388,442	117,332	636,214	753,546	12,517,804	13,154,018
Operating Expenses:							
Cost of Sales:							
Reimbursable				247,055	247,055		247,055
Non-Reimbursable				101,058	101,058		101,058
Total Cost of Sales				348,113	348,113		348,113
Salaries, Benefits & Payroll Taxes		378,368	98,368	360,203	458,571	476,736	836,939
Contracted Services				46,575	46,575	12,020,071	12,066,646
Purchased Professional/Technical Services						8,034	8,034
Purchased Property Services				26,061	26,061		26,061
Other Purchased Services				1,360	1,360	1,108	2,468
Supplies and Materials				42,519	42,519		42,519
Rent		35,000				35,000	35,000
General Supplies		11,534	2,373		2,373	13,907	13,907
Miscellaneous Expenses				7,869	7,869		7,869
Depreciation Expense				29,492	29,492		29,492
Total Operating Expenses		434,044	100,741	862,192	962,933	12,554,856	13,417,048

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
PROPRIETARY FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds						
	Major Funds			Non-Major Funds			
	Region I Transportation	Administration	Region I Summer School	Food Service	Total Non-Major Funds	Total Region I	Total Enterprise Funds
Operating Income/(Loss)	\$ (8,041)	\$ (45,602)	\$ 16,591	\$ (225,978)	\$ (209,387)	\$ (37,052)	\$ (263,030)
Non-Operating Revenue:							
Federal Sources:							
National School Lunch Program				103,269	103,269		103,269
COVID-19 Seamless Summer Option				8,042	8,042		8,042
Food Distribution Program				29,414	29,414		29,414
State Sources:							
School Lunch Program				7,284	7,284		7,284
COVID-19 Seamless Summer Option				127	127		127
Local Sources - Interest Revenue				2,005	2,005		2,005
Total Non-Operating Revenue				150,141	150,141		150,141
Change in Net Position	(8,041)	(45,602)	16,591	(75,837)	(59,246)	(37,052)	(112,889)
Net Position/(Deficit) - Beginning of Year	281,007	(335,975)	18,561	473,485	492,046	(36,407)	437,078
Net Position/(Deficit) - End of Year	\$ 272,966	\$ (381,577)	\$ 35,152	\$ 397,648	\$ 432,800	\$ (73,459)	\$ 324,189

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds							
	Major Funds			Non-Major Funds				
	Region I	Region I	Food	Non-Major	Total	Region I	Total	
Transportation	Administration	Summer School	Service	Funds	Region I	Enterprise Funds	Funds	
Cash Flows from Operating Activities:								
Receipts from Customers	\$ 11,769,148	\$ 394,196	\$ 117,332	\$ 663,333	\$ 780,665	\$ 12,280,676	\$ 12,944,009	
Payments to/for Employees		(308,699)	(98,368)	(796,487)	(98,368)	(407,067)	(407,067)	
Payments to Food Service Vendor				(796,487)	(796,487)	(12,016,520)	(796,487)	
Payments to Transportation Vendors							(12,016,520)	
Payments to Suppliers	(12,016,520)	(64,785)	(2,373)	(1,380)	(3,753)	(67,158)	(68,538)	
Net Cash Provided by/(Used for) Operating Activities	(247,372)	20,712	16,591	(134,534)	(117,943)	(210,069)	(344,603)	
Cash Flows from Investing Activities:								
Interest Income				2,005	2,005		2,005	
Net Cash Provided by Investing Activities				2,005	2,005		2,005	
Cash Flows from Noncapital and Related Financing Activities:								
Federal Subsidy Reimbursements				137,080	137,080		137,080	
State Subsidy Reimbursements				6,995	6,995		6,995	
Cash Received - Interfund Payable - General Fund	247,372			22,604	22,604	247,372	269,976	
Net Cash Provided by Noncapital and Related Financing Activities	247,372			166,679	166,679	247,372	414,051	
Net Increase in Cash and Cash Equivalents	- 0 -	20,712	16,591	34,150	50,741	37,303	71,453	
Cash and Cash Equivalents, July 1	- 0 -	337,765	18,561	292,430	310,991	356,326	648,756	
Cash and Cash Equivalents, June 30	\$ - 0 -	\$ 358,477	\$ 35,152	\$ 326,580	\$ 361,732	\$ 393,629	\$ 720,209	

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds						Total Enterprise Funds
	Major Funds			Non-Major Funds			
	Region I	Summer School	Food Service	Non-Major Funds	Total Region I	Total Enterprise Funds	
Reconciliation of Operating Loss to Net Cash Provided by/(Used for) Operating Activities:							
Operating Income/(Loss)	\$ (8,041)	\$ (45,602)	\$ 16,591	\$ (225,978)	\$ (209,387)	\$ (37,052)	\$ (263,030)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:							
Depreciation				29,492	29,492		29,492
Federal Food Distribution Program				29,414	29,414		29,414
Changes in Assets and Liabilities:							
(Increase)/Decrease in:							
Pensions:							
Change in Assumptions		55,829				55,829	55,829
Difference Between Expected and Actual Experience		103				103	103
Net Difference Between Projected and Actual in Investment Earnings on Pension Plan Investments		3,863				3,863	3,863
District Contribution Subsequent to the Measurement Date		(5,897)				(5,897)	(5,897)
Change in Proportion		1,054				1,054	1,054
Other Accounts Receivable				(6,239)	(6,239)		(6,239)
Receivable from Other Governmental Units		(242,882)		(3,119)	(3,119)	(237,128)	(237,128)
Inventory							(3,119)
Increase/(Decrease) in:							
Net Pension Liability		8,820				8,820	8,820
Accounts Payable	3,551	(3,212)		(276)	(276)	339	63
Interfund Payable				15,289	15,289		15,289
Unearned Revenue - Commodities				4,875	4,875		4,875
Unearned Revenue - Prepaid Balances				22,008	22,008		22,008
Net Cash Provided by/(Used for) Operating Activities	\$ (247,372)	\$ 20,712	\$ 16,591	\$ (134,534)	\$ (117,943)	\$ (210,069)	\$ (344,603)
<u>Non-Cash Investing, Capital and Financing Activities:</u>							

The Food Service Enterprise Fund received commodities from the Federal Food Distribution Program valued at \$34,289 and utilized commodities from the Federal Food Distribution Program valued at \$29,414 for the fiscal year ended June 30, 2020.

**FIDUCIARY FUNDS**

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
FIDUCIARY FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	<u>Agency Student Activity</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Spending Trust</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 1,029,210	\$ 683,389	\$ 319,371	\$ 35,598
Interfund Receivable: Special Revenue Fund	<u>3,000</u>			
Total Assets	<u>1,032,210</u>	<u>683,389</u>	<u>319,371</u>	<u>35,598</u>
<u>LIABILITIES:</u>				
Due to Student Groups	1,025,356			
School Store	<u>6,854</u>			
Total Liabilities	<u>1,032,210</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>NET POSITION:</u>				
Held in Trust for:				
Unemployment Benefit Claims		683,389		
Scholarships			319,371	
Flexible Spending Claims				<u>35,598</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 683,389</u>	<u>\$ 319,371</u>	<u>\$ 35,598</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Spending Trust</u>
<b>ADDITIONS:</b>			
Contributions:			
Plan Member	\$ 109,979		\$ 66,139
Donations		\$ 40,548	
Total Contributions	<u>109,979</u>	<u>40,548</u>	<u>66,139</u>
Investment Earnings:			
Interest	<u>5,968</u>	<u>1,514</u>	<u>100</u>
Net Investment Earnings	<u>5,968</u>	<u>1,514</u>	<u>100</u>
Total Additions	<u>115,947</u>	<u>42,062</u>	<u>66,239</u>
<b>DEDUCTIONS:</b>			
Quarterly Contribution Reports and Unemployment Claims	110,474		
Scholarships Awarded		21,250	
Flexible Spending Claims			77,201
Total Deductions	<u>110,474</u>	<u>21,250</u>	<u>77,201</u>
Change in Net Position	5,473	20,812	(10,962)
Net Position - Beginning of the Year	<u>677,916</u>	<u>298,559</u>	<u>46,560</u>
Net Position - End of the Year	<u><u>\$ 683,389</u></u>	<u><u>\$ 319,371</u></u>	<u><u>\$ 35,598</u></u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b><u>ASSETS:</u></b>				
Cash and Cash Equivalents	\$ 896,724	\$ 599,663	\$ 467,177	\$ 1,029,210
Interfund Receivable:				
Special Revenue Fund	3,000			3,000
Total Assets	<u>\$ 899,724</u>	<u>\$ 599,663</u>	<u>\$ 467,177</u>	<u>\$ 1,032,210</u>
<b><u>LIABILITIES:</u></b>				
Due to Student Groups	\$ 894,269	\$ 596,366	465,279	\$ 1,025,356
School Store	5,455	3,297	1,898	6,854
Total Liabilities	<u>\$ 899,724</u>	<u>\$ 599,663</u>	<u>\$ 467,177</u>	<u>\$ 1,032,210</u>



TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
Mahwah Schools	\$ 894,269	\$ 596,366	\$ 465,279	\$ 1,025,356
School Store	5,455	3,297	1,898	6,854
<b>Total</b>	<b><u>\$ 899,724</u></b>	<b><u>\$ 599,663</u></b>	<b><u>\$ 467,177</u></b>	<b><u>\$ 1,032,210</u></b>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 8,080	\$ 61,056,339	\$ 61,064,419	\$ - 0 -
Total Assets	<u>\$ 8,080</u>	<u>\$ 61,056,339</u>	<u>\$ 61,064,419</u>	<u>\$ - 0 -</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Accrued Salaries and Wages		\$ 227,872	\$ 227,872	
Payroll Deductions and Withholdings	\$ 8,080	\$ 60,828,467	\$ 60,836,547	\$ - 0 -
Total Liabilities	<u>\$ 8,080</u>	<u>\$ 61,056,339</u>	<u>\$ 61,064,419</u>	<u>\$ - 0 -</u>

**LONG-TERM DEBT**

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Retired/ Matured	Balance June 30, 2020
			Date	Amount	Interest Rate		
School Refunding Bonds	12/02/09	\$ 7,950,000	09/15/20-21	\$ 780,000	5.000%		
			09/15/22	480,000	5.000%	\$ 780,000	\$ 2,040,000
School Refunding Bonds	10/05/11	5,550,000	08/15/20-21	600,000	4.00%		
			08/15/22	605,000	5.00%		
			08/15/23	545,000	5.00%	580,000	2,350,000
						<u>\$ 5,750,000</u>	<u>\$ 4,390,000</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOT APPLICABLE

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,594,942		\$ 1,594,942	\$ 1,594,942	
Total Revenues	1,594,942		1,594,942	1,594,942	
EXPENDITURES:					
Regular Debt Service:					
Interest	236,650		236,650	236,650	
Redemption of Principal	1,360,000		1,360,000	1,360,000	
Total Regular Debt Service	1,596,650		1,596,650	1,596,650	
Total Expenditures	1,596,650		1,596,650	1,596,650	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,708)	\$ -0-	(1,708)	(1,708)	\$ -0-
Fund Balance, July 1	1,708		1,708	1,708	
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

**STATISTICAL SECTION**  
**(UNAUDITED)**

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

**Contents**

**Exhibit**

**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.

J-1 thru J-5

**Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

**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.

J-10 thru J-13

**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 and to help make comparisons over time and with other governments.

J-14 thru J-15

**Operating Information**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.





TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 22,730,683	\$ 22,325,235	\$ 23,806,884	\$ 23,572,905	\$ 23,679,032	\$ 23,720,946	\$ 30,335,322	\$ 31,200,125	\$ 28,628,023	\$ 27,343,525
Special Education	6,537,015	6,949,744	7,000,275	7,337,373	7,278,721	7,374,663	9,992,170	9,235,512	9,005,629	9,137,554
Other Special Instruction	962,707	1,055,544	1,152,787	1,262,005	1,237,216	1,308,823	1,788,011	2,046,142	2,248,012	1,802,741
Other Instruction	1,586,206	1,925,041	2,024,631	1,887,480	1,973,003	2,157,527	1,711,862	2,086,730	1,913,916	1,934,843
Support Services:										
Tuition	2,603,901	2,498,790	3,009,961	3,803,762	4,337,067	4,483,777	5,643,899	5,413,906	5,511,864	5,349,886
Student & Instruction Related Services	7,566,562	8,208,086	8,789,889	9,022,126	9,564,208	9,383,619	11,186,665	13,148,416	13,911,479	14,136,131
General Administrative Services	1,970,567	1,548,465	1,638,448	1,439,456	1,720,600	1,927,941	1,009,474	953,025	915,175	827,184
School Administrative Services	2,692,798	3,146,546	2,952,463	3,308,362	3,017,075	2,896,896	5,224,374	4,991,663	3,726,778	3,850,641
Central Services	783,967	849,296	838,088	967,967	799,771	764,078	1,230,828	1,318,961	1,300,621	1,339,881
Administrative Information Technology	618,659	959,511	866,024	1,014,923	874,769	836,111	1,432,968	1,208,834	1,155,823	1,232,681
Plant Operations and Maintenance	5,700,503	5,655,134	6,346,986	6,677,836	5,929,083	5,220,979	7,196,988	6,046,342	6,207,827	6,612,792
Pupil Transportation	3,279,741	3,390,980	3,333,208	3,554,637	3,715,677	3,946,228	4,721,661	4,463,140	4,606,930	4,232,693
Charter Schools	23,079	23,370	51,863							
Interest on Long-term Debt	918,719	788,180	737,273	658,940	583,489	506,456	413,289	314,064	257,711	200,323
Unallocated Depreciation							357,063	371,141	523,495	536,195
Total Governmental Activities Expenses	57,975,107	59,323,922	62,548,780	64,507,772	64,709,711	64,528,044	82,244,574	82,798,001	79,913,283	78,537,070
Business-Type Activities:										
Food Service	940,643	988,396	1,033,906	992,627	1,014,778	983,105	998,918	1,041,801	1,110,326	862,192
Region I Transportation							10,904,780	11,485,575	12,200,760	12,020,071
Region I Administration							391,031	360,853	462,092	434,044
Region I Summer School							145,766	126,473	130,962	100,741
Total Business-Type Activities Expenses	940,643	988,396	1,033,906	992,627	1,014,778	983,105	12,440,495	13,014,702	13,904,140	13,417,048
Total District-Wide Expenses	58,915,750	60,312,318	63,582,686	65,500,399	65,724,489	65,511,149	94,685,069	95,812,703	93,817,423	91,954,118
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition	5,834,182	7,546,552	8,649,222	7,911,541	7,529,294	7,817,464	22,362,904	23,796,580	19,258,386	17,020,657
Operating Grants and Contributions	558,811						(400,795)			
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	6,392,993	7,546,552	8,649,222	7,911,541	7,529,294	7,817,464	21,962,109	23,796,550	19,258,386	17,020,657

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Business-Type Activities:</b>										
Charges for Services:										
Food Service										
Region I Transportation										
Region I Administration										
Region I Summer School										
Operating Grants and Contributions										
Total Business-Type Activities Revenues										
Total District-Wide Program Revenues										
<b>Net (Expense)/Revenue:</b>										
Governmental Activities										
Business-type Activities										
Total District-Wide Net (Expense)/Revenue										
<b>General Revenues and Other Changes in Net Position:</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied for General Purposes, Net										
Taxes Levied for Debt Service										
Unrestricted Grants and Contributions										
Refunding Bond Proceeds, Net										
Investment Earnings										
Miscellaneous Income										
Adjustment to Capital Assets										
Transfers										
Total Governmental Activities General Revenues and Other Changes in Net Position										
<b>Business-type Activities:</b>										
Miscellaneous										
Disposal of Capital Assets, Net of Depreciation										
Transfers										
Total Business-type Activities General Revenues and Other Changes in Net Position										
Total District-Wide General Revenues and Other Changes in Net Position										
<b>Change in Net Position:</b>										
Governmental Activities										
Business-Type Activities										
Total District-Wide Change in Net Position										
Source: Township of Mahwah School District Financial Reports.										

Note: The operations of the Region I enterprise funds are included in the financial statements of the District beginning with the fiscal year ended June 30, 2017

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Modified Accrual Basis of Accounting)*

	June 30,				
	2011	2012	2013	2014	2015
General Fund:					
Restricted	\$ 5,414,285	\$ 8,230,997	\$ 11,005,171	\$ 10,729,477	\$ 10,030,982
Assigned	2,106,507	2,423,474	2,214,537	1,693,206	1,739,430
Unassigned	1,061,756	1,195,228	1,227,583	1,409,922	1,399,188
Total General Fund	<u>\$ 8,582,548</u>	<u>\$ 11,849,699</u>	<u>\$ 14,447,291</u>	<u>\$ 13,832,605</u>	<u>\$ 13,169,600</u>
All Other Governmental Funds:					
Restricted/(Deficit)	\$ (91,853)	\$ 263,550	\$ (49,647)	\$ 1,037,328	\$ 1,030,795
Assigned	512,568				254,543
Total All Other Governmental Funds	<u>\$ 420,715</u>	<u>\$ 263,550</u>	<u>\$ (49,647)</u>	<u>\$ 1,037,328</u>	<u>\$ 1,285,338</u>
Total Governmental Funds	<u>\$ 9,003,263</u>	<u>\$ 12,113,249</u>	<u>\$ 14,397,644</u>	<u>\$ 14,869,933</u>	<u>\$ 14,454,938</u>

	June 30,				
	2016	2017	2018	2019	2020
General Fund:					
Restricted	\$ 11,758,284	\$ 13,838,079	\$ 11,001,536	\$ 11,294,771	\$ 12,620,231
Assigned	3,303,770	2,112,932	5,972,900	2,770,401	2,602,245
Unassigned	1,295,670	1,408,419	1,508,249	1,903,627	1,707,065
Total General Fund	<u>\$ 16,357,724</u>	<u>\$ 17,359,430</u>	<u>\$ 18,482,685</u>	<u>\$ 15,968,799</u>	<u>\$ 16,929,541</u>
All Other Governmental Funds:					
Restricted/(Deficit)	\$ 1,015,458	\$ 763	\$ 2,153	\$ 1,708	
Committed		613,102			
Total All Other Governmental Funds	<u>\$ 1,015,458</u>	<u>\$ 613,865</u>	<u>\$ 2,153</u>	<u>\$ 1,708</u>	<u>\$ - 0 -</u>
Total Governmental Funds	<u>\$ 17,373,182</u>	<u>\$ 17,973,295</u>	<u>\$ 18,484,838</u>	<u>\$ 15,970,507</u>	<u>\$ 16,929,541</u>

Source: Township of Mahwah School District Financial Reports.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
UNAUDITED  
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
Tax Levy	\$ 54,675,367	\$ 55,582,764	\$ 56,601,573	\$ 57,600,743	\$ 58,704,715	\$ 59,780,712	\$ 60,977,358	\$ 61,950,052	\$ 63,609,561	\$ 65,110,070
Interest Earnings	87,276	18,658	23,550	24,501	27,025	33,006	60,135	133,980	222,516	184,093
Miscellaneous	184,671	267,363	371,215	300,332	323,407	312,600	283,164	656,671	200,352	287,880
Local Sources		21,227		77,578	68,525	72,598	59,606	162,473	82,566	89,230
State Sources	4,730,958	6,143,444	7,375,171	8,150,533	6,587,961	6,856,555	9,258,100	10,457,809	12,215,250	12,944,364
Federal Sources	1,470,035	1,541,907	1,027,792	897,500	1,043,940	1,041,441	1,005,075	910,519	981,616	959,886
<b>Total Revenues</b>	<b>61,148,307</b>	<b>63,575,363</b>	<b>65,399,301</b>	<b>67,051,187</b>	<b>66,755,573</b>	<b>68,096,912</b>	<b>71,643,438</b>	<b>74,271,504</b>	<b>77,311,861</b>	<b>79,575,523</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	16,393,507	16,495,532	16,562,024	16,642,133	16,975,012	16,258,610	16,795,275	17,548,458	17,629,273	17,751,538
Special Education Instruction	5,071,239	5,082,108	5,060,104	5,388,786	5,450,617	5,287,002	5,087,538	5,034,310	5,345,867	5,707,648
Other Special Instruction	962,707	1,055,544	1,152,787	1,262,005	1,237,216	1,308,823	1,336,733	1,165,617	1,310,681	1,134,957
Other Instruction	1,048,403	1,084,847	1,152,796	1,117,209	1,184,641	1,228,979	1,265,686	1,211,040	1,226,434	1,285,594
<b>Support Services:</b>										
Tuition	2,603,901	2,498,790	3,009,961	3,803,762	4,337,067	4,483,777	5,643,899	5,413,906	5,511,864	5,349,886
Student & Instruction Related Services	5,941,932	6,071,346	6,719,355	6,993,599	7,584,567	7,100,831	7,465,764	8,356,047	9,442,645	9,632,210
General Administrative Services	765,193	744,771	698,958	749,061	823,890	639,864	656,200	672,130	644,677	608,106
School Administrative Services	2,525,619	2,324,118	2,389,730	2,492,001	2,478,935	2,484,779	2,698,117	2,651,495	2,308,922	2,446,575
Central Services	783,967	849,296	838,088	967,967	799,771	764,078	823,658	817,389	810,585	888,311
Administrative Information Technology	618,659	959,511	866,024	1,014,923	874,769	836,111	1,085,866	744,964	852,662	972,184
Plant Operations and Maintenance	5,346,287	5,265,156	5,987,488	6,312,559	5,582,776	4,838,122	5,233,048	5,344,721	5,724,278	5,972,962
Pupil Transportation	3,083,276	3,158,197	3,136,353	3,369,639	3,546,408	3,737,090	3,809,159	3,998,747	4,268,003	3,879,649
Unallocated Benefits	10,308,826	11,434,078	12,501,817	11,923,725	11,603,931	12,709,512	15,740,661	16,984,817	18,403,599	18,672,802
Charter Schools	23,079	23,370	51,863							
Capital Outlay	863,168	716,010	304,573	1,901,469	2,082,613	936,353	844,002	1,417,545	4,718,233	2,717,417
<b>Debt Service:</b>										
Principal	1,830,000	1,875,000	1,915,000	1,950,000	1,995,000	2,025,000	2,060,000	2,032,000	1,335,000	1,360,000
Interest and Other Charges	951,089	827,703	767,985	690,060	613,355	537,137	455,387	366,775	293,469	236,650
<b>Total Expenditures</b>	<b>59,120,852</b>	<b>60,465,377</b>	<b>63,114,906</b>	<b>66,578,898</b>	<b>67,170,568</b>	<b>65,176,068</b>	<b>71,000,993</b>	<b>73,759,961</b>	<b>79,826,192</b>	<b>78,616,489</b>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,027,455	\$ 3,109,986	\$ 2,284,395	\$ 472,289	\$ (414,995)	\$ 2,920,844	\$ 642,445	\$ 511,543	\$ (2,514,331)	\$ 959,034
Other Financing Sources (Uses):										
SDA Grants	558,811									
Transfers In	3,712	300,231	540	375,144	1,556,028	317	445	614,779		
Transfers Out	(3,712)	(300,231)	(540)	(375,144)	(1,556,028)	(2,917)	(42,777)	(614,779)		
Total Other Financing Sources (Uses)	558,811					(2,600)	(42,332)			
Net Change in Fund Balances	\$ 2,586,266	\$ 3,109,986	\$ 2,284,395	\$ 472,289	\$ (414,995)	\$ 2,918,244	\$ 600,113	\$ 511,543	\$ (2,514,331)	\$ 959,034

Debt Service as a Percentage of Noncapital Expenditures	4.77%	4.52%	4.27%	4.08%	4.01%	3.98%	3.58%	3.32%	2.18%	2.10%
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Source: Township of Mahwah School District Financial Reports.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Modified Accrual Basis of Accounting)*

Fiscal Year Ending June 30,	Interest on Investments	Prior Year Refunds	Rentals	Other	Total
2011	\$ 83,564	\$ 89,277	\$ 80,093	\$ 15,301	\$ 268,235
2012	18,427	102,708	158,812	5,843	285,790
2013	18,617	197,295	153,328	20,592	389,832
2014	24,501	116,315	160,246	23,771	324,833
2015	25,782	145,601	139,441	38,365	349,189
2016	32,689	126,531	149,251	36,818	345,289
2017	59,690	155,865	89,791	37,508	342,854
2018	132,273	293,703	115,381	247,587	788,944
2019	222,516	82,635	83,779	33,938	422,868
2020	184,093	102,510	57,545	127,825	471,973

Source: Township of Mahwah School District Records.

**TOWNSHIP OF MAHWAH SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
**UNAUDITED**

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2010	\$ 82,587,000	\$ 3,307,176,900	\$ 12,326,100	\$ 486,416,800	\$ 222,957,200	\$ 31,751,800	\$ 4,143,215,800	\$ 4,931,194	\$ 4,148,146,994	\$ 1.2980	\$ 6,841,606,324
2011*	101,431,400	4,340,294,700	14,509,400	859,860,855	361,833,700	51,338,000	5,729,268,055	6,107,242	5,735,375,297	0.9610	5,735,375,297
2012	98,254,900	4,334,976,500	14,456,400	840,148,055	357,168,100	51,338,000	5,696,341,955	5,269,822	5,701,611,777	0.9840	6,314,882,225
2013	98,683,500	4,344,961,000	14,456,400	820,024,655	330,679,100	49,592,700	5,658,397,355	5,347,200	5,663,744,555	1.0090	6,206,660,611
2014	98,654,000	4,337,511,000	14,449,400	789,730,155	339,535,700	49,592,700	5,629,472,955	4,740,139	5,634,213,094	1.0320	5,634,213,094
2015	97,182,300	4,374,675,800	13,819,800	770,650,255	374,621,600	49,592,700	5,680,542,455	4,740,139	5,685,282,594	1.0420	6,030,661,715
2016	99,182,100	4,386,777,000	14,540,400	797,400,700	339,170,900	49,592,700	5,686,663,800	4,774,230	5,691,438,030	1.0610	5,923,219,890
2017	91,422,600	4,409,862,900	16,507,400	794,286,300	338,063,200	49,592,700	5,699,735,100	4,706,708	5,704,441,808	1.0780	6,050,679,269
2018	97,032,700	4,429,547,200	16,542,500	782,611,800	343,166,400	49,592,700	5,718,493,300	- 0 -	5,718,493,300	1.0970	6,112,325,113
2019	85,885,700	4,437,413,600	16,567,600	812,558,100	376,341,400	49,592,700	5,778,359,100	- 0 -	5,778,359,100	1.1140	6,132,743,501

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when ordered by the County Board of Taxation.

\*- A Revaluation of Real Property was effective in this year.

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

b - Tax rates are per \$100 of assessed value.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
*(Rate per \$100 of Assessed Value)*

Year Ended December 31,	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Township of Mahwah	Bergen County	
2010	\$ 1.2288	\$ 0.0692	\$ 1.298	\$ 0.503	\$ 0.323	\$ 2.124
2011*	0.9122	0.0488	0.961	0.391	0.228	1.580
2012	0.9358	0.0482	0.984	0.395	0.247	1.626
2013	0.9612	0.0478	1.009	0.405	0.250	1.664
2014	0.9853	0.0467	1.032	0.423	0.239	1.694
2015	0.9957	0.0463	1.042	0.427	0.254	1.723
2016	1.0164	0.0446	1.061	0.430	0.256	1.747
2017	1.0349	0.0431	1.078	0.441	0.267	1.786
2018	1.0618	0.0352	1.097	0.455	0.263	1.815
2019	1.0861	0.0279	1.114	0.469	0.258	1.841

\* - A Revaluation of Real Property was effective in this year.

**a** - The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.



TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

<u>Taxpayer</u>	<u>2020</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
MacArthur Boulevard, LLC	\$ 102,000,000	1	1.76%
Vista Distribution Center, Inc.	81,000,000	2	1.40%
Howmedica Osteonics Corporation	60,000,000	3	1.04%
Crossroads Developers	55,350,200	4	0.96%
Colfin Ind.	33,000,000	5	0.57%
933 Inspiration, LLC	28,500,000	6	0.49%
Sharp Office Holdings	27,397,000	7	0.47%
Inwood Realty Group	24,555,400	8	0.42%
Garden Crossroads, LLC	20,100,000	9	0.35%
One International Boulevard, LLC	19,000,000	10	0.33%
Total	<u>\$ 450,902,600</u>		<u>7.79%</u>

	<u>2011</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
MacArthur Boulevard, LLC	\$ 100,000,000	1	1.74%
Vista Distribution Center, Inc.	85,000,000	2	1.48%
Sharp Electronics	67,000,000	3	1.17%
Howmedica Osteonics Corporation	60,000,000	4	1.05%
Crossroads Developers	55,350,200	5	0.97%
Harte 1 HR Mahwah LP	21,937,500	6	0.38%
Jaguar Land Rover North America, Inc.	21,000,000	7	0.37%
Inwood Realty Group	20,772,400	8	0.36%
Garden Crossroads, LLC	20,100,000	9	0.35%
Coolidge Mahwah, LLC	19,437,900	10	0.34%
Total	<u>\$ 470,598,000</u>		<u>8.21%</u>

Source: Municipal Tax Assessor.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 54,675,367	\$ 54,675,367	100.00%	\$ -0-
2012	55,582,764	55,582,764	100.00%	-0-
2013	56,601,573	56,601,573	100.00%	-0-
2014	57,600,743	57,600,743	100.00%	-0-
2015	58,704,715	58,704,715	100.00%	-0-
2016	59,780,712	59,780,712	100.00%	-0-
2017	60,977,358	60,977,358	100.00%	-0-
2018	61,950,052	61,950,052	100.00%	-0-
2019	63,609,561	63,609,561	100.00%	-0-
2020	65,110,070	65,110,070	100.00%	-0-

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

Source: Mahwah Township School District records, including the Certificate and Report of Report of School Taxes (A4F form).

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Bond			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Anticipation Notes (BANs)	School Facilities Loans	Capital Leases						
2011	\$ 21,069,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 21,069,000	1.23%	\$ 813	
2012	19,062,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	19,062,000	1.06%	732	
2013	17,147,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	17,147,000	0.91%	656	
2014	15,197,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	15,197,000	0.81%	580	
2015	13,202,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	13,202,000	0.68%	503	
2016	11,177,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	11,177,000	0.55%	425	
2017	9,117,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	9,117,000	0.44%	347	
2018	7,085,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	7,085,000	0.33%	269	
2019	5,750,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,750,000	0.25%	219	
2020	4,390,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,390,000	0.19%	168	

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

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

Source: Mahwah Township School District Financial Reports.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 21,069,000	\$ -0-	\$ 21,069,000	0.508%	\$ 813
2012	19,062,000	-0-	19,062,000	0.332%	732
2013	17,147,000	-0-	17,147,000	0.301%	656
2014	15,197,000	-0-	15,197,000	0.268%	580
2015	13,202,000	-0-	13,202,000	0.234%	503
2016	11,177,000	-0-	11,177,000	0.197%	425
2017	9,117,000	-0-	9,117,000	0.160%	347
2018	7,085,000	-0-	7,085,000	0.124%	269
2019	5,750,000	-0-	5,750,000	0.101%	219
2020	4,390,000	-0-	4,390,000	0.076%	168

**a** - See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.  
**b** - See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2019  
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Mahwah Township	\$ 32,364,725	100.00%	\$ 32,364,725
Bergen County General Obligation Debt	855,378,427	3.40%	<u>29,120,130</u>
Subtotal, Overlapping Debt			61,484,855
Mahwah Township School District Direct Debt			<u>4,390,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 65,874,855</u></u>

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

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

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2020

Year Ended December 31,	Equalized Valuation Basis
2017	\$ 6,066,774,987
2018	6,044,918,922
2019	6,344,964,423
	<u>\$ 18,456,658,332</u>
Average Equalized Valuation of Taxable Property	<u>\$ 6,152,219,444</u>
Debt Limit (4% of Average Equalization Value) <sup>a</sup>	\$ 246,088,778
Net Bonded School Debt	<u>4,390,000</u>
Legal Debt Margin	<u>\$ 241,698,778</u>

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt Limit	\$ 274,665,794	\$ 266,469,440	\$ 258,653,452	\$ 247,028,578	\$ 240,588,360
Total Net Debt Applicable to Limit	21,069,000	19,062,000	17,147,000	15,197,000	13,202,000
Legal Debt Margin	<u>\$ 253,596,794</u>	<u>\$ 247,407,440</u>	<u>\$ 241,506,452</u>	<u>\$ 231,831,578</u>	<u>\$ 227,386,360</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.67%	7.15%	6.63%	6.15%	5.49%

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt Limit	\$ 236,223,123	\$ 237,872,690	\$ 239,477,464	\$ 241,588,749	\$ 246,088,778
Total Net Debt Applicable to Limit	11,177,000	9,117,000	7,085,000	5,750,000	4,390,000
Legal Debt Margin	<u>\$ 225,046,123</u>	<u>\$ 228,755,690</u>	<u>\$ 232,392,464</u>	<u>\$ 235,838,749</u>	<u>\$ 241,698,778</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.73%	3.83%	2.96%	2.38%	1.78%

<sup>a</sup> - Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts.

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS  
UNAUDITED

Year	Population <sup>a</sup>	Bergen County Per Capita Personal Income <sup>b</sup>	Personal Income <sup>c</sup>	Township Unemployment Rate <sup>d</sup>
2011	26,055	\$ 69,053	\$ 1,799,175,915	4.3%
2012	26,144	72,152	1,886,341,888	7.4%
2013	26,203	71,679	1,878,204,837	6.4%
2014	26,227	74,452	1,952,652,604	5.1%
2015	26,278	77,666	2,040,907,148	4.4%
2016	26,259	79,145	2,078,268,555	4.1%
2017	26,353	81,483	2,147,321,499	3.6%
2018	26,281	85,951	2,258,878,231	3.2%
2019	26,200	85,951 *	2,251,916,200 *	2.7%
2020	26,200 *	85,951 *	2,251,916,200 *	N/A

\* - Latest Bergen County per capita personal income (2018) and population data (2019) available was used for calculation purposes.

N/A - Not Available.

Source:

- a** - Population information provided by the US Department of Census - Population Division.
- b** - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- c** - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- d** - Unemployment data provided by the NJ Department of Labor and Workforce Development.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS - COUNTY OF BERGEN  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Information was not available as of the date of these financial statements.



**TOWNSHIP OF MAHWAH SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

<b><u>Function/Program</u></b>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:					
Regular	205	210	211	216	222
Special Education/Other Special Instruction	62	60	71	81	78
Other Instruction	12	14	13	15	17
Support Services:					
Student & Instruction Related Services	86	84	97	101	93
School Administrative Services	28	27	27	29	26
General Administrative Services	3	3	2	2	2
Central Services	6	7	7	8	8
Administration Information Technology	4	4	4	4	4
Plant Operations and Maintenance	10	9	9	9	9
Pupil Transportation	8	7	6	4	8
Total	<u>424</u>	<u>425</u>	<u>447</u>	<u>469</u>	<u>467</u>
<b><u>Function/Program</u></b>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction:					
Regular	216	216	218	214	217
Special Education/Other Special Instruction	84	84	86	91	91
Other Instruction	10	8	5	2	1
Support Services:					
Student & Instruction Related Services	98	102	115	126	132
School Administrative Services	26	25	26	23	23
General Administrative Services	3	3	3	3	3
Central Services	8	9	9	9	9
Administration Information Technology	4	5	5	5	5
Plant Operations and Maintenance	9	8	9	9	9
Pupil Transportation	8	6	5	5	5
Total	<u>466</u>	<u>466</u>	<u>481</u>	<u>487</u>	<u>495</u>

Source: Mahwah Township School District Personnel Records.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Pupil/Teacher Ratio										Student Attendance Percentage	
	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff <sup>d</sup>	Elementary School	Middle School	High School	Average Daily Enrollment (ADE) <sup>e</sup>	Average Daily Attendance (ADA) <sup>e</sup>		% Change in Average Daily Enrollment
2011	3,371	\$ 55,476,595	\$ 15,886	-3.33%	294	17.0:1	20.9:1	21.2:1	3,369	3,220	-2.01%	95.58%
2012	3,294	57,046,664	17,318	9.01%	292	19.6:1	22.2:1	22.1:1	3,299	3,172	-2.06%	96.14%
2013	3,241	60,127,348	17,777	2.65%	295	18.0:1	22.2:1	22.1:1	3,222	3,086	-2.35%	95.78%
2014	3,183	62,037,369	19,490	9.64%	299	18.9:1	10.0:1	8.0:1	3,177	3,043	-1.40%	95.81%
2015	3,068	62,479,600	20,368	4.50%	298	12.5:1	15.5:1	3.0:1	3,068	2,946	-3.44%	96.04%
2016	2,996	61,677,578	20,587	1.08%	300	17.5:1	16.5:1	12.2:1	2,970	2,852	-3.18%	96.03%
2017	2,922	67,641,604	23,149	12.45%	300	17.7:1	15.6:1	11.9:1	2,913	2,788	-1.93%	95.72%
2018	2,872	69,943,641	24,354	5.20%	304	17.1:1	14.8:1	11.5:1	2,866	2,739	-1.61%	95.57%
2019	2,832	73,479,490	25,946	6.54%	305	17.7:1	15.2:1	11.9:1	2,832	2,711	-1.19%	95.73%
2020	2,858	74,302,422	25,998	0.20%	308	16.9:1	15.3:1	11.5:1	2,842	2,737	0.35%	96.31%

**a** - Enrollment is obtained from October 15 Enrollment Summary, including students placed out of district.

**b** - Operating expenditures equal total expenditures less debt service and capital outlay.

**c** - Cost per pupil is calculated based upon enrollment and operating expenditures as presented and may not be the same as other (State) cost per pupil calculations.

**d** - Teaching staff includes only full-time equivalents of certificated staff.

**e** - Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Source: Mahwah Township School District records.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>District Building</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Elementary Schools:</u>										
Betsy Ross School										
Square Feet	33,526	33,526	33,526	33,526	33,526	33,526	27,096	27,096	27,096	27,096
Capacity (students)	275	275	275	275	275	275	216	216	216	216
Enrollment	261	236	233	237	234	222	217	199	230	244
George Washington School										
Square Feet	34,365	34,365	34,365	34,365	34,365	34,365	30,867	30,867	30,867	30,867
Capacity (students)	241	241	241	241	241	241	241	241	241	241
Enrollment	236	210	178	193	193	201	202	193	189	203
Lenape Meadows School										
Square Feet	82,000	82,000	82,000	82,000	82,000	82,000	76,597	76,597	76,597	76,597
Capacity (students)	578	578	578	578	578	578	578	578	578	578
Enrollment	492	483	469	473	486	461	425	431	384	384
Joyce Kilmer School										
Square Feet	82,220	82,220	82,220	82,220	82,220	82,220	71,555	71,555	71,555	71,555
Capacity (students)	558	558	558	558	558	558	564	564	564	564
Enrollment	492	527	527	473	444	438	447	452	435	399
<u>Middle School:</u>										
Ramapo Ridge Middle School										
Square Feet	100,037	100,037	100,037	100,037	100,037	100,037	112,040	112,040	112,040	112,040
Capacity (students)	826	826	826	826	826	826	820	820	820	820
Enrollment	839	798	798	773	752	753	702	696	678	714
<u>High School:</u>										
Mahwah High School										
Square Feet	187,844	187,844	187,844	187,844	187,844	187,844	164,791	173,763	173,763	181,065
Capacity (students)	1,093	1,093	1,093	1,093	1,093	1,093	1,143	1,143	1,143	1,192
Enrollment	1,051	1,048	1,017	1,028	970	911	929	901	916	914

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>District Building</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Athletic Building										
Square Feet	13,000	13,000	13,000	13,000	13,000	13,000	9,660	9,660	9,660	9,660
Central Administration										
Square Feet	9,000	9,000	9,000	9,000	9,000	9,000	7,181	7,181	7,181	7,181
Maintenance Garage										
Square Feet	4,200	4,200	4,200	4,200	4,200	4,200	4,584	4,584	4,584	4,584

Number of Schools at June 30, 2020

Elementary School = 4

Middle School = 1

High School = 1

Other = 3

Source: Mahwah Township School District.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
UNAUDITED

Undistributed Expenditures - Required Maintenance  
For School Facilities - Account #11-000-261-XXX:

<u>School Facilities*</u>	Project # (s)	Project				
		2011	2012	2013	2014	2015
Mahwah High School	N/A	\$ 510,661	\$ 731,338	\$ 1,063,843	\$ 862,880	\$ 618,465
Betsy Ross	N/A	74,650	183,389	362,955	142,309	65,139
Joyce Kilmer	N/A	142,433	279,942	214,008	285,589	396,551
Ramapo Ridge	N/A	232,352	212,155	402,290	701,730	441,479
George Washington	N/A	132,081	111,994	98,488	108,521	97,937
Lenape Meadows	N/A	125,488	110,149	114,521	210,679	157,998
Total School Facilities		<u>1,217,665</u>	<u>1,628,967</u>	<u>2,256,105</u>	<u>2,311,708</u>	<u>1,777,569</u>
Grand Total		<u>\$ 1,217,665</u>	<u>\$ 1,628,967</u>	<u>\$ 2,256,105</u>	<u>\$ 2,311,708</u>	<u>\$ 1,777,569</u>

<u>School Facilities*</u>	Project # (s)	Project				
		2016	2017	2018	2019	2020
Mahwah High School	N/A	\$ 339,673	\$ 603,471	\$ 609,911	\$ 666,297	\$ 727,060
Betsy Ross	N/A	81,194	67,674	117,396	116,996	89,587
Joyce Kilmer	N/A	130,277	149,747	216,746	133,752	198,339
Ramapo Ridge	N/A	217,011	215,894	396,647	269,018	332,911
George Washington	N/A	68,091	123,793	80,470	98,500	90,746
Lenape Meadows	N/A	227,614	177,241	164,613	263,398	221,800
Total School Facilities		<u>1,063,860</u>	<u>1,337,820</u>	<u>1,585,783</u>	<u>1,547,961</u>	<u>1,660,443</u>
Grand Total		<u>\$ 1,063,860</u>	<u>\$ 1,337,820</u>	<u>\$ 1,585,783</u>	<u>\$ 1,547,961</u>	<u>\$ 1,660,443</u>

N/A - Not Applicable.

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

Source: Mahwah Township School District records.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2020  
UNAUDITED

	Coverage	Deductible
Northeast Bergen County School		
Board Insurance Group:		
Property - Blanket Building & Contents	\$ 157,745,342	\$ 5,000
Earthquake/Flood	5,000,000	50,000
Comprehensive General Liability Coverage	2,000,000	
Additional Comprehensive General Liability Coverage	1,000,000	
Excess Liability	15,000,000	10,000
Umbrella Liability	50,000,000	10,000
Comprehensive Automobile Liability & Physical Damage	1,000,000	1,000
Pollution Liability	2,000,000/ 4,000,000	15,000
School Board Legal Liability	1,000,000	25,000
Cyber Liability	1,000,000/ 2,000,000	15,000/25,000
Boiler & Machinery	Up to the Property Limit	1,000
Workers Compensation - Coverage through Northeast Bergen County School Board Insurance Group		
Health Insurance through New Jersey State Health Benefits Plan		
Volunteer Accident Policy - QBE Insurance Company		
Student & Athletic Insurance through US Fire Insurance Company		
Accident Policy through Garber Life Insurance Company		
Traveler's Insurance Public Employee Bonds-		
Kyle J. Bleeker                      Secretary	350,000	
Dr. Philip H. Nisonoff              Treasurer	350,000	
Blanket Employee Dishonesty (Per Employee)	100,000	5,000
Per Loss (Excess)	500,000	

Source: Mahwah Township School District records.

**SINGLE AUDIT SECTION**



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Independent Member  
BKR International

Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Township of Mahwah School District  
County of Bergen, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of Mahwah School District, in the County of Bergen (the "District") as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 21, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



The Honorable President and Members  
of the Board of Education  
Township of Mahwah School District  
Page 2

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 21, 2020  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Heidi A. Wohlleb*

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Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant



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Independent Member  
BKR International

Report on Compliance For Each Major Federal and State Program:  
Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Township of Mahwah School District  
County of Bergen, New Jersey

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

We have audited the Board of Education of the Township of Mahwah School District (the "District's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2020. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

The Honorable President and Members  
of the Board of Education  
Township of Mahwah School District  
Page 2

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2020.

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

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or 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 federal or 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 federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Mount Arlington, New Jersey  
December 21, 2020

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Heidi A. Wohlleb*

Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2019		Cash Received	Budgetary Expenditures	Balance at June 30, 2020		Amount Provided to Subrecipients
			From	To		Unearned Revenue/ (Accounts Receivable)	Due to Grantor			(Accounts Receivable)	Unearned Revenue	
U.S. Department of Education:												
Passed-through State Department of Education:												
Special Revenue Fund:												
Special Education Cluster:												
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-2900-20	7/1/19	9/30/20	\$ 611,614		\$ 611,614	\$ (611,614)				
I.D.E.A. - Part B, Preschool	84.173	IDEA-2900-20	7/1/19	9/30/20	32,608		32,608	(32,608)				
Subtotal Special Education Cluster					644,222		644,222	(644,222)				
Elementary and Secondary Education Act:												
Title I	84.010	ESEA-2900-20	7/1/19	9/30/20	232,529		178,242	(201,927)		\$ (23,685)		
Title I	84.010	ESEA-2900-19	7/1/18	9/30/19	244,880		37,897			(23,685)		
Subtotal Title I					477,409		216,139	(201,927)		(23,685)		
Title II A	84.367A	ESEA-2900-20	7/1/19	9/30/20	51,244		47,539	(51,244)		(3,705)		
Title III - Immigrant	84.365A	ESEA-2900-20	7/1/19	9/30/20	7,688		4,000	(4,769)		(769)		
Title III - Immigrant	84.365A	ESEA-2900-19	7/1/18	9/30/19	8,864		4,864					
Subtotal Title III - Immigrant					12,552		8,864	(4,769)		(769)		
Title IV	84.424A	ESEA-2900-20	7/1/19	9/30/20	25,339		9,770	(25,329)		(15,559)		
Total Special Revenue Fund					705,100		926,534	(927,491)		(43,718)		
Total U.S. Department of Education					705,100		926,534	(927,491)		(43,718)		
U.S. Department of Health and Human Services -												
Passed-through State Department of Human Services:												
Medicaid Cluster	93.778	N/A	7/1/19	6/30/20	32,395		32,395	(32,395)				
Medical Assistance Program (SEM)												
Total General Fund/Medicaid Cluster					32,395		32,395	(32,395)				
Total U.S. Department of Health and Human Services					32,395		32,395	(32,395)				
U.S. Department of Agriculture - Passed-through												
State Department of Agriculture:												
Child Nutrition Cluster:												
National School Lunch Program	10.555	N/A	7/1/19	6/30/20	103,269		103,269	(103,269)				
National School Lunch Program -												
COVID 19 - Seamless Summer Option	10.555	N/A	7/1/19	6/30/20	8,042		3,260	(8,042)		(4,782)		
National School Lunch Program	10.555	N/A	7/1/18	6/30/19	151,556		30,551					
Subtotal National School Lunch Program					161,867		137,080	(111,311)		(4,782)		
Federal Food Distribution Program	10.555	N/A	7/1/19	6/30/20	34,289		34,289	(26,602)		\$ 7,687		
Federal Food Distribution Program	10.555	N/A	7/1/18	6/30/19	41,976			(2,812)				
Subtotal Federal Food Distribution Program					76,265		34,289	(29,414)		7,687		
Subtotal Child Nutrition Cluster					238,132		171,369	(140,725)		(4,782)		
Total U.S. Department of Agriculture					238,132		171,369	(140,725)		(4,782)		
TOTAL FEDERAL AWARDS					\$ 973,532		\$ 1,130,298	\$ (1,100,611)		\$ (48,500)		\$ -0-
N/A - Not Available/Applicable												

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2019		Due to Grantor	Cash Received	Budgetary Expenditures	Prior Year Encumbrances Canceled	Repayment of Prior Years' Balances	Balance at June 30, 2020		MEMO			
		From	To		Budgetary Unearned Revenue/ (Accounts Receivable)	Unearned Revenue						GAAP (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures		
State Department of Education:																	
General Fund:																	
Special Education Categorical Aid	20-495-034-5120-089	7/1/19	6/30/20	\$ 2,181,669	\$ 2,023,746	\$ (2,181,669)								\$ 157,923	\$ 2,181,669		
Special Education Categorical Aid	19-495-034-5120-089	7/1/18	6/30/19	1,989,854	104,703										4,295	59,339	
Categorical Security Aid	20-495-034-5120-084	7/1/19	6/30/20	59,339	55,044	(59,339)											
Categorical Security Aid	19-495-034-5120-084	7/1/18	6/30/19	59,339	3,122	(3,122)											
Transportation Aid	20-495-034-5120-014	7/1/19	6/30/20	636,428	590,359	(636,428)									46,069	636,428	
Transportation Aid	19-495-034-5120-014	7/1/18	6/30/19	636,428	33,488	(33,488)											
Extraordinary Special Education Costs Aid	20-495-034-5120-044	7/1/19	6/30/20	813,842	872,239	(813,842)									813,842	813,842	
Extraordinary Special Education Costs Aid	19-495-034-5120-044	7/1/18	6/30/19	872,239		(872,239)											
Nonpublic School Transportation Costs	20-495-034-5120-014	7/1/19	6/30/20	17,499													
Nonpublic School Transportation Costs	19-495-034-5120-014	7/1/18	6/30/19	51,588		(51,588)									17,499	17,499	
On-Behalf TPAF Contributions:																	
Post-Retirement Medical	20-495-034-5094-001	7/1/19	6/30/20	1,992,669	1,992,669	(1,992,669)											
Pension	20-495-034-5094-002	7/1/19	6/30/20	5,276,760	5,276,760	(5,276,760)											
Non-Contributory Insurance	20-495-034-5094-004	7/1/19	6/30/20	94,580	94,580	(94,580)											
Long-Term Disability Insurance	20-495-034-5094-004	7/1/19	6/30/20	3,963	3,963	(3,963)											
Reimbursed TPAF Contributions:																	
Social Security Aid	20-495-034-5094-003	7/1/19	6/30/20	1,914,561	1,819,071	(1,914,561)									95,490	1,914,561	
Social Security Aid	19-495-034-5094-003	7/1/18	6/30/19	1,841,553	91,180	(91,180)											
Total General Fund State Aid					13,012,512	(12,991,310)							(926,831)	1,135,118		12,991,310	
Special Revenue Fund:																	
NJ Nonpublic Aid:																	
Textbook Aid (Chapter 194)	20-100-034-5120-064	7/1/19	6/30/20	1,845	1,845	(1,723)											
Textbook Aid (Chapter 194)	19-100-034-5120-064	7/1/18	6/30/19	2,136													
Nursing Services (Chapter 226)	20-100-034-5120-070	7/1/19	6/30/20	3,880	3,880	(3,285)											
Nursing Services (Chapter 226)	19-100-034-5120-070	7/1/18	6/30/19	4,462	34												
Handicapped Services (Chapter 193):																	
Supplementary Instruction	20-100-034-5120-066	7/1/19	6/30/20	2,428	2,120	(971)											
Supplementary Instruction	19-100-034-5120-066	7/1/18	6/30/19	2,379													
Examination and Classification	20-100-034-5120-066	7/1/19	6/30/20	3,344	2,920	(2,045)											
Examination and Classification	19-100-034-5120-066	7/1/18	6/30/19	4,914	2,003												
Corrective Speech	20-100-034-5120-066	7/1/19	6/30/20	10,026	8,753	(5,468)											
Corrective Speech	19-100-034-5120-066	7/1/18	6/30/19	4,464	645												
Security Aid	20-100-034-5120-509	7/1/19	6/30/20	6,000	6,000	(5,446)											
Security Aid	19-100-034-5120-509	7/1/18	6/30/19	6,900	1,966												
Technology Initiative	20-100-034-5120-373	7/1/19	6/30/20	1,260	1,260	(1,090)											
Total Special Revenue Fund					5,241	(20,028)							(2,005)	2,005		20,028	

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2019		Due to Grantor	Cash Received	Budgetary Expenditures	Prior Year Encumbrances Canceled	Repayment of Prior Years' Balances	Balance at June 30, 2020		MEMO		
		From	To		Budgetary Unearned Revenue/(Accounts Receivable)	Unearned Revenue						GAAP (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:																
Enterprise Fund:																
State School Lunch Program	20-100-010-3350-023	7/1/19	6/30/20	\$ 5,348	\$ 5,348	\$ (5,348)										5,348
State School Lunch Program - COVID-19 Seamless Summer Option	20-100-010-3350-023	7/1/19	6/30/20	127	52	(127)										127
State School Lunch Program	19-100-010-3350-023	7/1/18	6/30/19	8,000	1,595											
State School Lunch Program - Supplemental	20-100-010-3350-023	7/1/19	6/30/20	1,936		(1,936)										1,936
Total Enterprise Fund					6,995	(7,411)										7,411
					\$ (1,595)	\$ (1,595)										
					\$ 5,241	\$ (13,018,749)	\$ 1,015	\$ 13,046,285	\$ (13,018,749)	\$ 1,015	\$ (5,241)	\$ (930,847)	\$ -0-	\$ 9,770	\$ 1,139,134	\$ 13,018,749
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT DETERMINATION																

Less - State Awards Not Subject to Single Audit Major Program Determination:  
On-Behalf TPAF Pension System Contributions:  
Post-Retirement Medical 20-495-034-5094-001 7/1/19 6/30/20 1,992,669  
Pension 20-495-034-5094-002 7/1/19 6/30/20 5,276,760  
Non-Contributory Insurance 20-495-034-5094-004 7/1/19 6/30/20 94,580  
Long-Term Disability Insurance 20-495-034-5094-004 7/1/19 6/30/20 3,963  
Subtotal On-Behalf TPAF Pension System Contributions 7,367,972

TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION \$ (5,650,777)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Township of Mahwah School District under programs of the federal and state governments for the fiscal year ended June 30, 2020. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. 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 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 these payments are not recognized until the subsequent budget year due to the state deferral and recording of the 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 revenue, whereas the GAAP basis does not. The special revenue fund also does not recognize the June state aid payments in the current year. Grant revenue in the capital projects fund is recognized on the budgetary basis in the fiscal year of award but is not recognized on the GAAP basis until expended and submitted for reimbursement.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(66,974) for the general fund and \$(6,978) for the special revenue fund (all of which is attributable to encumbrances for local grants which are not included on the schedules of expenditures of state and federal awards). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

	Federal	State	Total
General Fund	\$ 32,395	\$ 12,924,336	\$ 12,956,731
Special Revenue Fund	927,491	20,028	947,519
Food Service Enterprise Fund	140,725	7,411	148,136
Total Financial Assistance	\$ 1,100,611	\$ 12,951,775	\$ 14,052,386

NOTE 5. 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 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2020. Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.



TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's federal and state programs tested as major programs for the current fiscal year were the following:

	<u>C.F.D.A. Number/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. - Part B, Basic:				
Regular	84.027	7/1/19-9/30/20	\$ 611,614	\$ 611,614
Preschool	84.173	7/1/19-9/30/20	32,608	32,608
<u>State:</u>				
Special Education				
Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	2,181,669	2,181,669
Categorical Security Aid	20-495-034-5120-084	7/1/19-6/30/20	59,339	59,339
Extraordinary Special				
Education Costs Aid	20-495-034-5120-044	7/1/19-6/30/20	813,842	813,842

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

Summary of Auditors' Results: (Cont'd)

- The threshold used for distinguishing between both state and federal Type A and Type B programs was \$750,000.
- The single audit threshold identified in the Uniform Guidance and New Jersey's OMB Circular 15-08 was \$750,000.
- The District was determined to be a "low-risk" auditee for both state and federal programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Status of Prior Year Findings:

There were no prior year audit findings.