

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, 2021**

**Comprehensive Annual
Financial Report**

of the

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

Mahwah, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

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

Finance Department

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2021

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal.....	1
Organizational Chart	12
Roster of Officials	13
Consultants and Advisors.....	14

FINANCIAL SECTION..... 15

Independent Auditors' Report.....	16
-----------------------------------	----

Required Supplementary Information	19
--	----

Management's Discussion and Analysis	20
--	----

Basic Financial Statements (Sections A. and B.)	30
---	----

A. District-Wide Financial Statements	31
---	----

A-1 Statement of Net Position	32
-------------------------------------	----

A-2 Statement of Activities.....	33
----------------------------------	----

B. Fund Financial Statements.....	35
-----------------------------------	----

B-1 Balance Sheet – Governmental Funds	36
--	----

B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.....	37
---	----

B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	39
---	----

B-4 Statement of Net Position – Proprietary Funds.....	41
--	----

B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds	43
--	----

B-6 Statement of Cash Flows – Proprietary Funds.....	45
--	----

Notes to the Basic Financial Statements.....	47
--	----

Required Supplementary Information	88
--	----

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions (Unaudited).....	89
---	----

L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees' Retirement System.....	89
---	----

L-2 Schedule of District Contributions – Public Employees' Retirement System	90
--	----

L-3 Schedule of State's Proportionate Share of the Net Pension Liability Attributable to the District – Teachers' Pension and Annuity Fund	91
---	----

L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund	92
--	----

L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District and Related Ratios	93
---	----

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

FINANCIAL SECTION (Cont'd)

Required Supplementary Information (Cont'd)

Notes to Required Supplementary Information.....	94
C. Budgetary Comparison Schedules.....	96
C-1 Budgetary Comparison Schedule – General Fund.....	97
C-2 Budgetary Comparison Schedule – Special Revenue Fund.....	110
C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information	111
Required Supplementary Schedules (Sections D. to I.)	
D. School Level Schedules (Not Applicable).....	113
E. Special Revenue Fund	114
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	115
E-2 Preschool Education Aid Schedule of Expenditures Special Revenue Fund – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund (Not Applicable).....	119
G. Proprietary Funds.....	120
Enterprise Funds:	
G-1 Combining Statement of Net Position	121
G-2 Combining Statement of Revenue, Expenses and Changes in Fund Net Position.....	123
G-3 Combining Statement of Cash Flows.....	125
H. Fiduciary Activities (Not Applicable)	127
I. Long-Term Debt	128
I-1 Schedule of Serial Bonds	129
I-2 Schedule of Obligations Under Capital Leases (Not Applicable).....	130
I-3 Debt Service Fund Budgetary Comparison Schedule.....	131

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

STATISTICAL SECTION (UNAUDITED)

J.	Statistical Section (Unaudited)	132
J-1	Net Position by Component	133
J-2	Changes in Net Position	134
J-3	Fund Balances - Governmental Funds	136
J-4	Changes in Fund Balances - Governmental Funds	137
J-5	General Fund Other Local Revenue by Source.....	139
J-6	Assessed Value and Estimated Actual Value of Taxable Property.....	140
J-7	Direct and Overlapping Property Tax Rates	141
J-8	Principal Property Taxpayers.....	142
J-9	Property Tax Levies and Collections	143
J-10	Ratios of Outstanding Debt by Type.....	144
J-11	Ratios of Net General Bonded Debt Outstanding	145
J-12	Ratios of Overlapping Governmental Activities Debt	146
J-13	Legal Debt Margin Information	147
J-14	Demographic and Economic Statistics	148
J-15	Principal Employers.....	149
J-16	Full-Time Equivalent District Employees by Function/Program	150
J-17	Operating Statistics	151
J-18	School Building Information	152
J-19	Schedule of Required Maintenance for School Facilities	154
J-20	Insurance Schedule	155
K.	SINGLE AUDIT SECTION.....	156
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	157
K-2	Report on Compliance for Each Major Federal and State Program; Report on Internal Control over Compliance.....	159
K-3	Schedule of Expenditures of Federal Awards	161
K-4	Schedule of Expenditures of State Awards	163
K-5	Notes to Schedules of Expenditures of Federal and State Awards	165
K-6	Schedule of Findings and Questioned Costs.....	167
K-7	Summary Schedule of Prior Audit Findings	169

**INTRODUCTORY SECTION
(UNAUDITED)**



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

Michael DeTuro, Ed.D.
Superintendent of Schools

Dennis M. Fare, Ed.D.
Assistant Superintendent

Lisa Rizzo, Ed.S.
Director of Special Services

Kyle J. Bleeker, RSBA, SFO
Business Administrator/Board Secretary

Linda A. Bovino-Romeo, Ph.D.
Director of Curriculum & Instruction

December 8, 2021

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, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. 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, 2021, 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 37 students in 2020-2021.

The Honorable President and
 Members of the Board of Education
 Mahwah Township School District
 Page 2
 December 8, 2021

The District completed the 2020-2021 fiscal year with an enrollment of 2,737 students, which is 121 less students than the previous year's enrollment. In addition, 61 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>
2020-2021	2,737	(4.23)%
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%

The Honorable President and
Members of the Board of Education
Mahwah Township School District
Page 3
December 8, 2021

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 2020/2021 school year, and for the opening of the 2021/2022 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.

Major projects that were completed during the 2020/2021 include a renovation of 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 2020/2021 year also saw the completion 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 2020/2021, for staff and students, experienced the continued integration of 1:1 device to student availability for Joyce Kilmer School, an upgrade to our phone system and an upgrade to wireless (WiFi) infrastructure to ensure adequate access to the additional laptops that were introduced. Finally, to ensure adequate connectivity during remote instruction that took place during much of 2020/2021, the District increased its bandwidth for transmitting data to 10 gigabyte from the previous 2 gigabytes.

4) DISTRICT INFORMATION:

A. Graduation Statistics

95.4% of the Class of 2021 is pursuing higher education.

4) DISTRICT INFORMATION: (Cont'd)

A. Graduation Statistics

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	82	VA	3
NY	24	GA	2
PA	18	VT	2
CT	15	MI	2
MA	9	AZ	2
RI	7	WV	2
FL	7	AL	2
SC	7	CO	2
DE	5	ND	1
WI	5	TN	1
IN	5	NH	1
OH	4	LA	1
NC	4	TX	1
MD	3	CA	1

<u>Post-Graduation Plans</u>			
	2021	2020	2019
Total Graduates	237	234	199
Post-Secondary	95.4% (226)	94.9% (222)	96.6% (192)
4-Yr. Colleges	84.4% (200)	85.9% (201)	80% (159)
2-Yr. Colleges	11% (26)	9.0% (21)	16.6% (33)
Other	4.6% (11)	5.1% (12)	3.4% (7)

4) DISTRICT INFORMATION: (Cont'd)

A. Graduation Statistics

Advanced Placement Testing
 240 Students took 548 exams in
 24 academic subjects in May 2021
 188 of the students scored 3 or better

<u>AP Test Results</u>	
❖ 240 Students took 548 exams in 24 academic subjects in May 2021	
❖ 188 of the students scored 3 or better	
AP Course	Average Score
Biology	2.60
Calculus AB	3.66
Calculus BC	4.71
Chemistry	3.00
Chinese	5.00
Computer Science A	2.67
Computer Science Principles	2.78
English Language	3.95
English Literature	3.27
European History	2.77
French Language	3.33
Macroeconomics	2.77
Microeconomics	2.96
Music Theory	3.88
Physics C – E & M	3.11
Physics C- Mechanics	3.44
Psychology	3.55
Spanish	4.50
Statistics	3.65
Studio Art- Drawing	3.00
Studio Art-2D	3.29
Studio Art-3D	4.00
US Govt. & Politics	3.53
US History	3.86

4) DISTRICT INFORMATION: (Cont'd)

A. Graduation Statistics

Class of 2021 – College Matriculation

<u>College</u>	<u>Attend</u>	<u>College</u>	<u>Attend</u>
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

4) DISTRICT INFORMATION: (Cont'd)

A. Graduation Statistics

Class of 2021 – College Matriculation (Cont'd)

College	Attend	College	Attend
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		

4) DISTRICT INFORMATION: (Cont'd)

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, 2021 ending balance of \$8,521,779.62.

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
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

4) DISTRICT INFORMATION: (Cont'd)

B. Capital Reserve Analysis

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
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
2020-2021	Expenditures	(126,850)
2020-2021	Investment Income	12,012
2020-2021	Fund Balance Allocation	2,500,000
	Beginning Balance July 1, 2021	\$8,521,780

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 system, 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, 2021.

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 2020/2021 school year the district made payments of \$1,554,091 (\$1,432,000 principal and \$122,091 interest) towards debt issues, issued \$1,317,000 of refunding school bonds and defeased bonded debt of \$1,260,000. At June 30, 2021, the District's outstanding debt of \$3,015,000 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.

The Honorable President and
Members of the Board of Education
Mahwah Township School District
Page 11
December 8, 2021

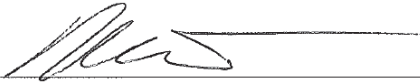
9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in “Notes to the Basic Financial Statements”, Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under 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.

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,

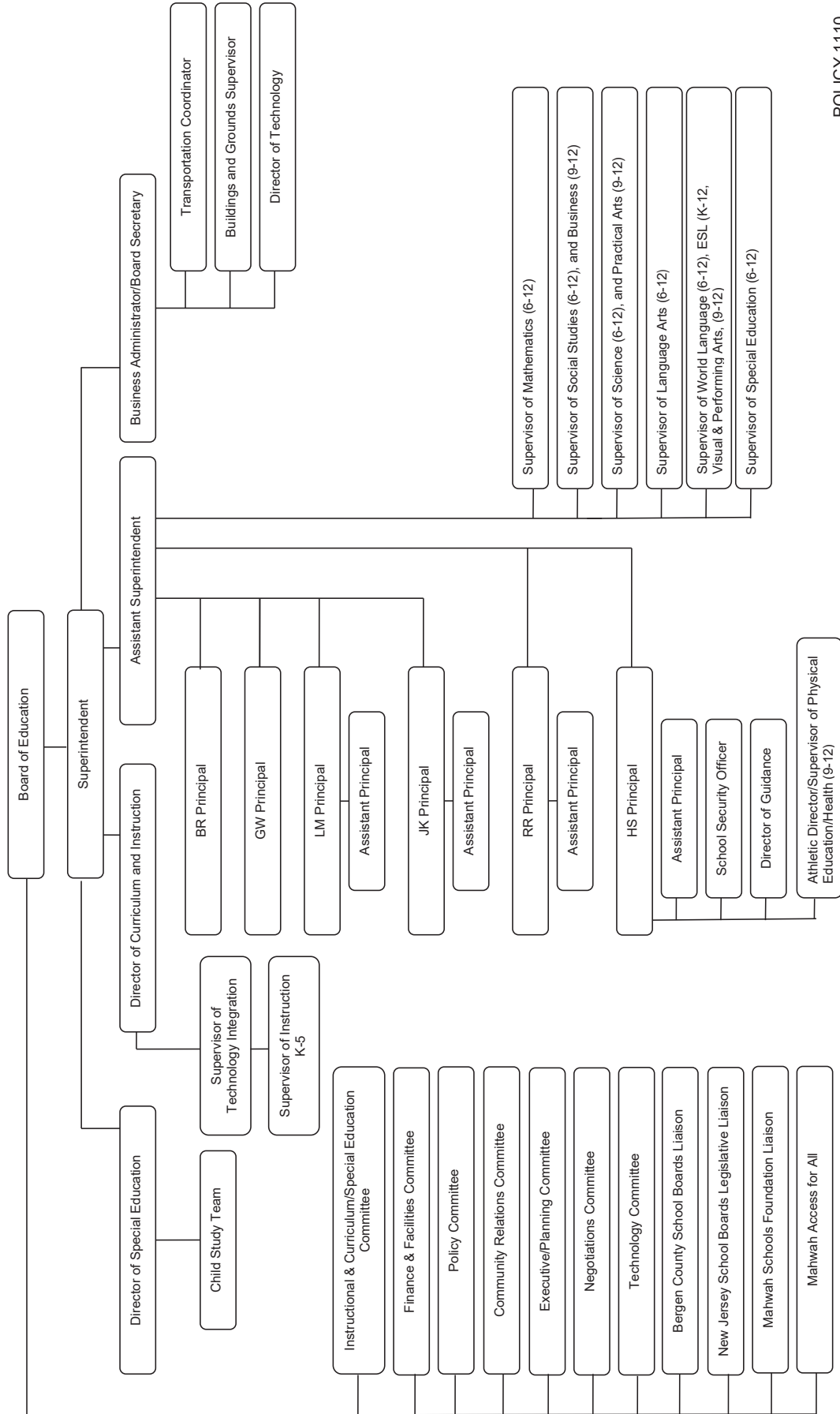


Michael DeTuro, Ed. D.
Superintendent



Kyle J. Bleeker
Business Administrator

MAHWAH BOARD OF EDUCATION ORGANIZATIONAL CHART 2020 - 2021



**TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Benjamin A. Kezmarsky, President	2021
Richard A. DeSilva, Jr., First Vice President	2023
Leslie Konikow, Second Vice President	2021
Brett L. Coplin	2022
John Dinice	2022
Michael Galow	2021
Dr. Prema C. Moorthy	2022
Dr. Matthew Park	2023
Lynda Zaccone	2023

Other Officials

Title

Michael DeTuro, Ed.D.	Superintendent of Schools (from 7/1/21)
Leonard D. Fitts, Ed.D.	Interim Superintendent of Schools (from 8/1/20 to 6/30/21)
C. Lauren Schoen, Ed.D.	Superintendent of Schools (to 7/31/20)
Kyle J. Bleeker	School Business Administrator/Board Secretary
Philip H. Nisonoff, Ed.D.	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

Schenk Price Smith & King, LLP
220 Park Avenue
Florham Park, NJ 07932

Scarinci & Hollenbeck, LLP
1100 Valley Brook Avenue
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, 2021, 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.

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, 2021, 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.

Emphasis of Matter

As discussed in Note 21 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

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 8, 2021 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 8, 2021
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, 2021**

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, 2021. 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.

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, 2021**

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

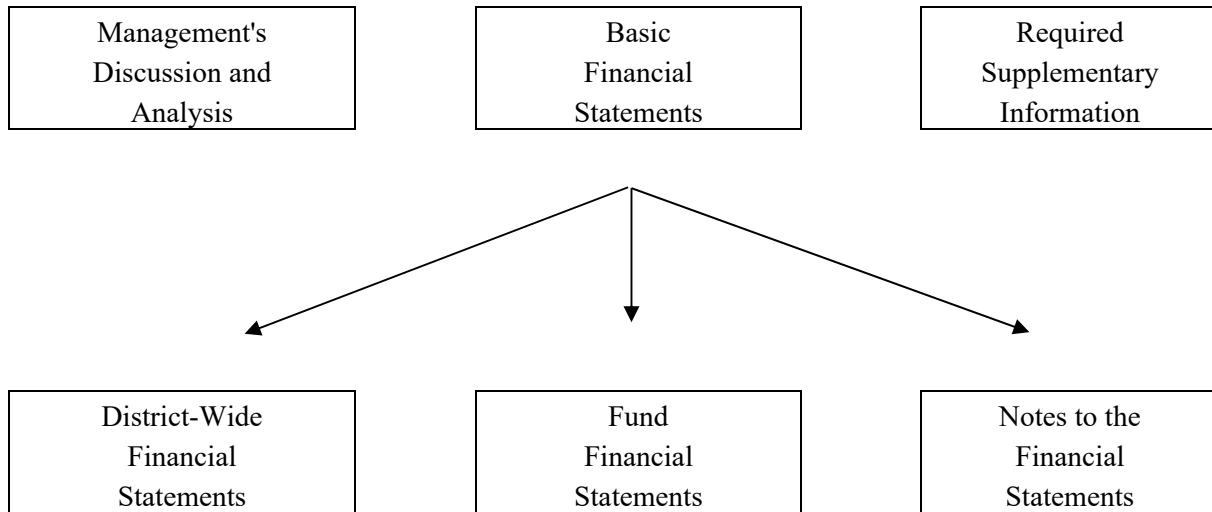


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**Township of Mahwah School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and Region I services
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
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
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
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

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

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 two 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, 2021**

Fund Financial Statements

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, 2021 and 2020. The District's combined net position was \$24,942,807 on June 30, 2021, \$7,529,562 or 43.24% more than it was the fiscal year before. The net position of the governmental activities increased by \$7,461,533 and the net position of the business-type activities increased by \$68,029.

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

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2020/21
	2020/21	2019/20 (Restated)	2020/21	2019/20	2020/21	2019/20 (Restated)	
Assets:							
Current and							
Other Assets	\$ 24,618,553	\$ 19,438,151	\$ 1,110,723	\$ 992,938	\$ 25,729,276	\$ 20,431,089	
Capital Assets, Net	20,923,463	20,041,165	130,274	151,034	21,053,737	20,192,199	
Total Assets	45,542,016	39,479,316	1,240,997	1,143,972	46,783,013	40,623,288	15.16%
Deferred Outflows of Resources	1,790,148	2,308,360	93,287	115,929	1,883,435	2,424,289	-22.31%
Liabilities:							
Other Liabilities	1,517,246	1,153,511	146,854	107,716	1,664,100	1,261,227	
Long-Term Liabilities	17,018,582	19,378,881	543,345	590,178	17,561,927	19,969,059	
Total Liabilities	18,535,828	20,532,392	690,199	697,894	19,226,027	21,230,286	-9.44%
Deferred Inflows of Resources	4,245,747	4,166,228	251,867	237,818	4,497,614	4,404,046	2.12%
Net Position:							
Net Investment in							
Capital Assets	18,126,052	15,928,622	130,274	151,034	18,256,326	16,079,656	
Restricted	18,138,303	14,655,201			18,138,303	14,655,201	
Unrestricted (Deficit)	(11,713,766)	(13,494,767)	261,944	173,155	(11,451,822)	(13,321,612)	
Total Net Position	\$ 24,550,589	\$ 17,089,056	\$ 392,218	\$ 324,189	\$ 24,942,807	\$ 17,413,245	43.24%

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

Figure A-4 represents the *Changes in Net Position*. Net investment in capital assets increased \$2,176,670 due to \$1,844,288 in capital assets additions, the retirement of \$2,692,000 of serial bonds payable and \$31,500 deferred amount on refunding related to the current year bond refunding, offset by \$1,317,000 of serial bonds issued, \$971,036 of depreciation expense, amortized deferred amount on refunding of \$91,368, and net capital asset disposals of \$11,714. Restricted net position increased \$3,483,102 primarily due to increases in the capital reserve of \$2,385,162, the maintenance reserve of \$1,000,000, unemployment compensation of \$48,338, student activities of \$74,701 and scholarships of \$1,631,151, offset by a decrease in excess surplus of \$1,659,944. Unrestricted net position (deficit) increased \$1,869,790 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
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	Change 2020/21
Revenue:							
Program Revenue:							
Charges for Services	\$ 379,342		\$ 10,651,480	\$ 13,154,018	\$ 11,030,822	\$ 13,154,018	
Grants and Contributions:							
Operating	20,964,399	\$ 17,020,657	663,415	148,136	21,627,814	17,168,793	
General Revenue:							
Property Taxes	66,551,945	65,110,070			66,551,945	65,110,070	
Unrestricted State/ Federal Aid	105,075	90,561			105,075	90,561	
Other	618,700	471,973	468	2,005	619,168	473,978	
Total Revenue	<u>88,619,461</u>	<u>82,693,261</u>	<u>11,315,363</u>	<u>13,304,159</u>	<u>99,934,824</u>	<u>95,997,420</u>	4.10%
Expenses:							
Instruction	41,568,419	40,218,663			41,568,419	40,218,663	
Pupil and Instruction Services	19,600,490	19,486,017			19,600,490	19,486,017	
Administration and Business	7,992,410	7,250,387			7,992,410	7,250,387	
Maintenance and Operations	7,243,658	6,612,792			7,243,658	6,612,792	
Transportation	4,074,833	4,232,693			4,074,833	4,232,693	
Other	678,118	736,518	11,247,334	13,417,048	11,925,452	14,153,566	
Total Expenses	<u>81,157,928</u>	<u>78,537,070</u>	<u>11,247,334</u>	<u>13,417,048</u>	<u>92,405,262</u>	<u>91,954,118</u>	0.49%
Increase/(Decrease) in Net Position	<u>\$ 7,461,533</u>	<u>\$ 4,156,191</u>	<u>\$ 68,029</u>	<u>\$ (112,889)</u>	<u>\$ 7,529,562</u>	<u>\$ 4,043,302</u>	86.22%

**Township of Mahwah School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

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	
	2020/2021	2019/2020	2020/2021	2019/2020
Instruction	\$ 41,568,419	\$ 40,218,663	\$28,830,652	\$28,828,479
Pupil and Instruction Services	19,600,490	19,486,017	13,569,103	16,168,195
Administration and Business	7,992,410	7,250,387	6,468,024	5,930,213
Maintenance and Operations	7,243,658	6,612,792	7,004,509	6,401,285
Transportation	4,074,833	4,232,693	3,263,781	3,451,723
Other	678,118	736,518	678,118	736,518
	<u>\$ 81,157,928</u>	<u>\$ 78,537,070</u>	<u>\$59,814,187</u>	<u>\$61,516,413</u>

**Township of Mahwah School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

Business-Type Activities

Net position from the District’s business-type activities increased by \$68,029 (\$27,546 in Region I services and \$40,483 in food service). (Refer to Figure A-4). The increase in food service was due primarily to fully re-opening following the COVID-19 school shutdown. The increase 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 extraordinary aid as well as 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 2020/2021 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
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	
Sites (Land)	\$ 1,451,475	\$ 1,451,475			\$ 1,451,475	\$ 1,451,475	
Buildings and Building Improvements	17,018,696	15,917,107			17,018,696	15,917,107	
Site Improvements	297,878	308,911			297,878	308,911	
Machinery and Equipment	2,155,414	2,363,672	\$ 130,274	\$ 151,034	2,285,688	2,514,706	
Total Capital Assets, Net of Depreciation	\$ 20,923,463	\$ 20,041,165	\$ 130,274	\$ 151,034	\$ 21,053,737	\$ 20,192,199	4.27%

The District’s capital assets (net of depreciation) increased \$861,538, or 4.27%, 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 2020/2021 school year, District additions totaled \$1,844,288 which were offset by \$971,036 in depreciation and \$11,714 in net disposals.

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

Long-Term Liabilities

The District's long-term liabilities decreased by \$2,407,132, or 12.05%, during the fiscal year. At fiscal year-end, the District had \$3,015,000 of general obligation bonds outstanding, \$9,702,596 in net pension liability (\$9,159,251 governmental activities and \$543,345 business-type activities), \$251,873 in unamortized bond issuance premiums, and \$4,592,458 in compensated absences payable. (More detailed information about the District's long-term liabilities is presented in Note 10 to the Basic Financial Statements).

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

	Total School District		Total Percentage Change 2020/21
	2020/21	2019/20	
Governmental Activities:			
General Obligation Bonds, Net (Financed with Property Taxes)	\$ 3,015,000	\$ 4,390,000	
Net Pension Liability	9,159,251	10,339,035	
Other Long-Term Liabilities	4,844,331	4,649,846	
Total Governmental Activities	<u>17,018,582</u>	<u>19,378,881</u>	-12.18%
Business-Type Activities:			
Net Pension Liability	543,345	590,178	
Total Business-Type Activities	<u>543,345</u>	<u>590,178</u>	-7.94%
Total District-wide	<u>\$ 17,561,927</u>	<u>\$ 19,969,059</u>	<u>-12.05%</u>

- Principal payments of \$1,432,000 on the District's general obligation bonds were made during the fiscal year (\$1,260,000 of bonds were defeased).
- The District issued \$1,317,000 of refunding school bonds during the fiscal year.
- The District's net pension liability decreased by \$1,226,617 (\$1,179,784 governmental activities decrease and \$46,833 business-type activities decrease).
- Unamortized bond premiums decreased by \$99,170.
- Compensated absences payable increased by the net amount of \$293,655.
- The District's other long-term liabilities as of June 30, 2021 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, 2021**

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 2021/2022 school year will be challenging as our District continues to work 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 2021/2022 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 District's 2020-2025 Strategic Plan. This plan, thoughtfully discussed and developed during the 2019/2020 school year and made final in October 2020, 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, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 8,018,769	\$ 656,923	\$ 8,675,692
Internal Balances	826,152	(826,152)	
Receivables from State Government	1,171,172	4,908	1,176,080
Receivables from Federal Government	32,620	103,817	136,437
Receivables from Other Governmental Units		1,139,408	1,139,408
Inventory		31,819	31,819
Restricted Cash and Cash Equivalents	14,569,840		14,569,840
Capital Assets, Net:			
Sites (Land)	1,451,475		1,451,475
Depreciable Buildings and Building Improvements, Site Improvements and Machinery and Equipment	19,471,988	130,274	19,602,262
Total Assets	<u>45,542,016</u>	<u>1,240,997</u>	<u>46,783,013</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	217,589		217,589
Deferred Outflows Related to Pensions	1,572,559	93,287	1,665,846
Total Deferred Outflows of Resources	<u>1,790,148</u>	<u>93,287</u>	<u>1,883,435</u>
LIABILITIES			
Current Liabilities:			
Payable to State Government	8,053		8,053
Accounts Payable	1,451,048	90,359	1,541,407
Accrued Interest Payable	37,499		37,499
Unearned Revenue	20,646	56,495	77,141
Noncurrent Liabilities:			
Due Within One Year	1,494,170		1,494,170
Due Beyond One Year	15,524,412	543,345	16,067,757
Total Liabilities	<u>18,535,828</u>	<u>690,199</u>	<u>19,226,027</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	4,245,747	251,867	4,497,614
Total Deferred Inflows of Resources	<u>4,245,747</u>	<u>251,867</u>	<u>4,497,614</u>
NET POSITION			
Net Investment in Capital Assets	18,126,052	130,274	18,256,326
Restricted for:			
Capital Projects	8,521,780		8,521,780
Debt Service	3,694		3,694
Maintenance	1,750,000		1,750,000
Emergency	508,900		508,900
Excess Surplus	3,564,769		3,564,769
Unemployment Compensation	731,727		731,727
Student Activities	1,106,911		1,106,911
Scholarships	1,950,522		1,950,522
Unrestricted (Deficit)	(11,713,766)	261,944	(11,451,822)
Total Net Position	<u>\$ 24,550,589</u>	<u>\$ 392,218</u>	<u>\$ 24,942,807</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, 2021

	Program Revenues			Capital			Net (Expense) Revenue and Changes in Net Position		
	Functions/Programs	Expenses	Charges for Services	Operating		Grants and Contributions	Governmental Activities	Business-type Activities	Total
				Grants and Contributions	Grants and Contributions				
Governmental Activities:									
Instruction:									
Regular		\$ 28,532,878		\$ 6,354,795			\$ (22,178,083)		\$ (22,178,083)
Special Education		9,203,347		5,531,941			(3,671,406)		(3,671,406)
Other Special Instruction		1,969,307		456,262			(1,513,045)		(1,513,045)
Other Instruction		1,862,887		394,769			(1,468,118)		(1,468,118)
Support Services:									
Tuition		5,155,898		697,532			(4,458,366)		(4,458,366)
Student & Instruction Related Services		14,444,592	\$ 379,342	4,954,513			(9,110,737)		(9,110,737)
General Administrative Services		1,173,288		112,122			(1,061,166)		(1,061,166)
School Administrative Services		4,151,389		934,412			(3,216,977)		(3,216,977)
Central Services		1,470,159		304,747			(1,165,412)		(1,165,412)
Administrative Information Technology		1,197,574		173,105			(1,024,469)		(1,024,469)
Plant Operations and Maintenance		7,243,658		239,149			(7,004,509)		(7,004,509)
Pupil Transportation		4,074,833		811,052			(3,263,781)		(3,263,781)
Interest on Long-Term Debt		96,850					(96,850)		(96,850)
Unallocated Depreciation		581,268					(581,268)		(581,268)
Total Governmental Activities		81,157,928	379,342	20,964,399		\$ -0-	(59,814,187)		(59,814,187)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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	\$ 628,947	\$ 5,547	\$ 663,415		\$ 40,015	\$ 40,015	40,015
Region I Transportation	10,249,134	10,242,343			(6,791)	(6,791)	(6,791)
Region I Administration	368,878	403,590			34,712	34,712	34,712
Region I Summer School	375				(375)	(375)	(375)
Total Business-Type Activities	11,247,334	10,651,480	663,415		67,561	67,561	67,561
Total Primary Government	\$ 92,405,262	\$ 11,030,822	\$ 21,627,814	\$ -0-	\$ (59,814,187)	67,561	(59,746,626)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					64,995,945	64,995,945	64,995,945
Taxes Levied for Debt Service					1,556,000	1,556,000	1,556,000
Federal and State Aid not Restricted					105,075	105,075	105,075
Investment Earnings					51,031	468	51,499
Miscellaneous Income					567,669	567,669	567,669
Total General Revenues					67,275,720	468	67,276,188
Change in Net Position					7,461,533	68,029	7,529,562
Net Position - Beginning (Restated)					17,089,056	324,189	17,413,245
Net Position - Ending					\$ 24,550,589	\$ 392,218	\$ 24,942,807

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, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 8,012,701	\$ 2,374	\$ 3,694	\$ 8,018,769
Interfund Receivable	860,500			860,500
Receivables from State Government	1,171,172			1,171,172
Receivables from Federal Government		32,620		32,620
Restricted Cash and Cash Equivalents	11,512,407	3,057,433		14,569,840
Total Assets	\$ 21,556,780	\$ 3,092,427	\$ 3,694	\$ 24,652,901
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable	\$ 34,348			\$ 34,348
Payable to State Government		\$ 8,053		8,053
Accounts Payable	803,539	6,295		809,834
Unearned Revenue		20,646		20,646
Total Liabilities	837,887	34,994		872,881
Fund Balances:				
Restricted:				
Capital Reserve Account	8,521,780			8,521,780
Maintenance Reserve Account	1,750,000			1,750,000
Emergency Reserve Account	508,900			508,900
Excess Surplus - 2022-2023	688,430			688,430
Excess Surplus - 2021-2022	2,876,339			2,876,339
Unemployment Compensation	731,727			731,727
Student Activities		1,106,911		1,106,911
Scholarships		1,950,522		1,950,522
Debt Service			\$ 3,694	3,694
Assigned:				
Year-End Encumbrances	2,224,568			2,224,568
Designated for Subsequent Year's Expenditures	143,200			143,200
Unassigned	3,273,949			3,273,949
Total Fund Balances	20,718,893	3,057,433	3,694	23,780,020
Total Liabilities and Fund Balances	\$ 21,556,780	\$ 3,092,427	\$ 3,694	\$ 24,652,901
Amounts reported for <i>Governmental Activities</i> in the Statement of Net Position (A-1) are different because:				
Total Fund Balances (Above)				\$ 23,780,020
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.				20,923,463
The Deferred Amount on Refunding is not reported as an expenditure in the Governmental Funds in the year of the refunding.				217,589
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.				(9,159,251)
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				931,345
Deferred Inflows Related to Pensions				(4,245,747)
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.				(7,607,458)
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.				(37,499)
Bond Premiums are reported as revenue in the Governmental Funds.				(251,873)
Net Position of Governmental Activities				\$ 24,550,589

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, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 64,995,945		\$ 1,556,000	\$ 66,551,945
Miscellaneous Revenues	616,915	\$ 2,052,720		2,669,635
Total - Local Sources	65,612,860	2,052,720	1,556,000	69,221,580
State Sources	15,324,824	15,829		15,340,653
Federal Sources	46,309	1,323,355		1,369,664
Total Revenues	80,983,993	3,391,904	1,556,000	85,931,897
EXPENDITURES				
Current:				
Regular Instruction	18,100,739	106,453		18,207,192
Special Education Instruction	5,563,043	110,446		5,673,489
Other Special Instruction	1,192,915			1,192,915
Other Instruction	1,217,838			1,217,838
Support Services and Undistributed Costs:				
Tuition	4,458,366	697,532		5,155,898
Student & Instruction Related Services	9,373,463	771,621		10,145,084
General Administrative Services	913,127			913,127
School Administrative Services	2,530,839			2,530,839
Central Services	965,324			965,324
Administration Information Technology	926,001			926,001
Plant Operations and Maintenance	6,665,434			6,665,434
Pupil Transportation	3,770,378			3,770,378
Unallocated Benefits	20,780,953			20,780,953
Debt Service:				
Principal			1,432,000	1,432,000
Interest and Other Charges			122,091	122,091
Capital Outlay	1,419,610			1,419,610
Total Expenditures	77,878,030	1,686,052	1,554,091	81,118,173
Excess/(Deficiency) of Revenues				
Over/(Under) Expenditures	3,105,963	1,705,852	1,909	4,813,724

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES/(USES)				
Unexpended Balance of School				
Refunding Bonds Issuance Costs			\$ 1,785	\$ 1,785
School Refunding Bonds Issued			1,317,000	1,317,000
School Bonds Defeased			(1,260,000)	(1,260,000)
Bond Issuance Costs			(25,500)	(25,500)
Deferred Amount on Refunding			(31,500)	(31,500)
Total Other Financing Sources/(Uses)			<u>1,785</u>	<u>1,785</u>
Net Change in Fund Balances	\$ 3,105,963	\$ 1,705,852	3,694	4,815,509
Fund Balance - July 1 (Restated)	<u>17,612,930</u>	<u>1,351,581</u>		<u>18,964,511</u>
Fund Balance - June 30	<u>\$ 20,718,893</u>	<u>\$ 3,057,433</u>	<u>\$ 3,694</u>	<u>\$ 23,780,020</u>

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, 2021

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 4,815,509

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 outlays in the period.

Depreciation expense	\$	(943,516)
Capital outlays		1,837,528
		(11,714)

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		1,179,784
Changes in Deferred Inflows and Outflows		(579,644)

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 (+).

Proceeds from debt issued for the advanced refunding less the amount of bonds defeased are not recorded in the governmental funds.		
School Refunding Bonds Issued	\$	(1,317,000)
School Bonds Defeased		1,260,000
Deferred Amount on Refunding		31,500

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, 2021

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

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 (+)

\$ 99,170

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 (-)

(91,368)

Change in Net Position of Governmental Activities (A-2)

\$ 7,461,533

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, 2021

	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		\$ 383,505	\$ 273,892	\$ 418,282	\$ 657,397
Receivable from:					
Federal Government			103,817		103,817
State Government			4,908		4,908
Other Governmental Units	\$ 1,127,149	12,259		1,139,408	1,139,408
Interfund Receivable - General Fund			34,348	34,348	34,348
Inventories			31,819		31,819
Total Current Assets	1,127,149	395,764	448,784	1,592,038	1,971,697
Non-Current Assets:					
Capital Assets			480,461		480,461
Less: Accumulated Depreciation			(350,187)		(350,187)
Total Non-Current Assets			130,274		130,274
Total Assets	1,127,149	395,764	579,058	1,592,038	2,101,971
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Outflows Related to Pensions		93,287		93,287	93,287
Total Deferred Outflows of Resources		93,287		93,287	93,287

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds				
	Major Funds		Total		Total Enterprise Funds
	Region I	Administration	Non-Major Funds	Total Region I	
LIABILITIES:					
Current Liabilities:					
Interfund Payable - General Fund	\$ 860,974			\$ 860,974	\$ 860,974
Accounts Payable		40,704	\$ 49,655	40,704	90,359
Unearned Revenue:					
Prepaid Student Balances			49,063		49,063
Commodities			7,432		7,432
Noncurrent Liabilities:					
Due Beyond One Year		543,345		543,345	543,345
Total Liabilities	860,974	584,049	106,150	1,445,023	1,551,173
DEFERRED INFLOWS OF RESOURCES:					
Deferred Inflows Related to Pensions		251,867		251,867	251,867
Total Deferred Inflows of Resources		251,867		251,867	251,867
NET POSITION:					
Investment in Capital Assets			130,274		130,274
Unrestricted/(Deficit)	266,175	(346,865)	342,634	(45,913)	261,944
Total Net Position/(Deficit)	\$ 266,175	\$ (346,865)	\$ 472,908	\$ (45,913)	\$ 392,218

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, 2021

	Business-Type Activities - Enterprise Funds				
	Major Funds		Total		Total Enterprise Funds
	Transportation	Administration	Non-Major Funds	Total Region I	
Operating Revenue:					
Charges for Services:					
Daily Sales:					
Non-Reimbursable Programs		\$ 403,590	\$ 5,360	\$ 403,590	\$ 5,360
Program Fees	\$ 10,242,343				403,590
Transportation Fees from Other LEA's Within the State	10,242,343	403,590	5,360	10,242,343	10,242,343
Special Events			187		10,651,293
Total Operating Revenue	10,242,343	403,590	5,547	10,645,933	10,651,480
Operating Expenses:					
Cost of Sales:					
Reimbursable			270,055		270,055
Non-Reimbursable			13,892		13,892
Total Cost of Sales			283,947		283,947
Salaries, Benefits & Payroll Taxes		312,442	217,551	312,442	529,993
Contracted Services	10,249,134		47,475	10,249,134	10,296,609
Purchased Professional/Technical Services		813		813	813
Purchased Property Services			17,579		17,579
Other Purchased Services		1,137	1,360	1,137	2,497
Supplies and Materials			28,796		28,796
Rent		35,000		35,000	35,000
General Supplies		16,722	375	17,097	17,097
Miscellaneous Expenses		2,764	4,719	2,764	7,483
Depreciation Expense			27,520		27,520
Total Operating Expenses	10,249,134	368,878	629,322	10,618,387	11,247,334

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds				
	Major Funds		Total		Total Enterprise Funds
	Region I	Administration	Non-Major Funds	Total Region I	
	Transportation	Administration	Funds	Region I	Funds
Operating Income/(Loss)	\$ (6,791)	\$ 34,712	\$ (623,775)	\$ 27,546	\$ (595,854)
Non-Operating Revenue:					
Federal Sources:					
School Breakfast Program:					
COVID-19 Seamless Summer Option			186,842		186,842
National School Lunch Program:					
COVID-19 Seamless Summer Option			435,532		435,532
Food Distribution Program			19,698		19,698
State Sources:					
School Lunch Program:					
COVID-19 Seamless Summer Option			18,922		18,922
Supplemental			2,421		2,421
Local Sources - Interest Revenue			468		468
Total Non-Operating Revenue			663,883		663,883
Change in Net Position	(6,791)	34,712	40,108	27,546	68,029
Net Position/(Deficit) - Beginning of Year	272,966	(381,577)	432,800	(73,459)	324,189
Net Position/(Deficit) - End of Year	\$ 266,175	\$ (346,865)	\$ 472,908	\$ (45,913)	\$ 392,218

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, 2021

	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	\$ 10,078,412	\$ 398,452	\$ 13,360	\$ 10,476,864	\$ 10,490,224
Payments to/for Employees		(322,584)		(322,584)	(322,584)
Payments to Food Service Vendor			(542,005)		(542,005)
Payments to Transportation Vendors	(10,252,685)	(50,840)	(20,643)	(10,252,685)	(10,252,685)
Payments to Suppliers			(20,643)	(51,215)	(71,483)
Net Cash Provided by/(Used for) Operating Activities	(174,273)	25,028	(549,288)	(149,620)	(698,533)
Cash Flows from Investing Activities:					
Interest Income			468		468
Net Cash Provided by Investing Activities			468		468
Cash Flows from Noncapital and Related Financing Activities:					
Federal Subsidy Reimbursements Collected in Food Service Fund			494,658		494,658
State Subsidy Reimbursements			12,779		12,779
Cash Received - Interfund Payable - General Fund	174,273			174,273	174,273
Cash Disbursed - Interfund Receivable - General Fund			(39,697)		(39,697)
Net Cash Provided by/(Used for) Noncapital and Related Financing Activities	174,273		467,740	174,273	642,013
Cash Flows from Capital and Related Financing Activities:					
Purchase of Capital Assets			(6,760)		(6,760)
Net Cash Used for Capital and Related Financing Activities			(6,760)		(6,760)
Net Increase/(Decrease) in Cash and Cash Equivalents		25,028	(87,840)	24,653	(62,812)
Cash and Cash Equivalents, July 1		358,477	361,732	393,629	720,209
Cash and Cash Equivalents, June 30	\$ - 0 -	\$ 383,505	\$ 273,892	\$ 418,282	\$ 657,397

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			
	Major Funds	Total		Total
	Transportation	Region I	Administration	Non-Major Funds
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Operating Income/(Loss)	\$ (6,791)	\$ 34,712	\$ (623,775)	\$ 27,546
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Depreciation			27,520	27,520
Federal Food Distribution Program			19,698	19,698
Changes in Assets and Liabilities:				
(Increase)/Decrease in:				
Deferred Inflows and Outflows Related to Pensions		36,691		36,691
Interfund Receivable				
Other Accounts Receivable			6,239	6,239
Receivable from Other Governmental Units	(163,931)	(5,138)		(169,069)
Inventory			(16,063)	(16,063)
Net Pension Liability		(46,833)		(46,833)
Accounts Payable	(3,551)	5,596	35,775	2,045
Unearned Revenue - Commodities			(255)	(255)
Unearned Revenue - Prepaid Balances			1,573	1,573
Net Cash Provided by/(Used for) Operating Activities	\$ (174,273)	\$ 25,028	\$ (549,288)	\$ (149,620)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received commodities from the Federal Food Distribution Program valued at \$19,443 and utilized commodities from the Federal Food Distribution Program valued at \$19,698 for the fiscal year ended June 30, 2021.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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. 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, 2021
(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. Separate statements for each fund category – *governmental and proprietary* - 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, 2021
(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.

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary 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, 2021
(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, 2021 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 except for student activities and scholarships. 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, 2021
(Continued)

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

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

	General Fund	Special Revenue Fund
	<u> </u>	<u> </u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 81,011,781	\$ 3,381,329
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.		
Prior Year Encumbrances		10,575
Prior Year State aid payments recognized for GAAP statements, not recognized for budgetary purposes	208,287	
Current Year State aid payments recognized for budgetary purposes, not recognized for GAAP statements	<u>(236,075)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 80,983,993</u>	<u>\$ 3,391,904</u>
	General Fund	Special Revenue Fund
	<u> </u>	<u> </u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 77,878,030	\$ 1,675,477
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.		
Prior Year Encumbrances		<u>10,575</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 77,878,030</u>	<u>\$ 1,686,052</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2021
(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, 2021.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2021.

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, 2021
(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 \$20,718,893 General Fund balance at June 30, 2021, \$8,521,780 is restricted in the capital reserve account; \$1,750,000 is restricted in the maintenance reserve; \$508,900 is restricted in the emergency reserve account; \$731,727 is restricted for unemployment compensation; \$3,564,769 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) (\$2,876,339 is prior year excess surplus which is included as anticipated budget revenue for the fiscal year ending June 30, 2022 and \$688,430 is current year excess surplus which will be included as anticipated budget revenue for the fiscal year ending June 30, 2023); \$2,224,568 is assigned for encumbrances; \$143,200 is designated for subsequent year's expenditures; and \$3,273,949 is unassigned which is \$236,075 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, 2022.

Special Revenue Fund: Of the \$3,057,433 Special Revenue Fund balance at June 30, 2021, \$1,106,911 is restricted for student activities and \$1,950,522 is restricted for scholarships.

Debt Service Fund: The \$3,694 Debt Service Fund balance at June 30, 2021 is restricted.

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, 2021 as outlined above.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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 \$236,075 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, an emergency reserve and unemployment compensation in the General Fund, student activities and scholarships in the Special Revenue Fund and debt service in the Debt Service Fund.

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, 2021.

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, 2021.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

R. Deficit Net Position:

The District has a \$11,713,766 deficit in unrestricted net position in governmental activities as of June 30, 2021 primarily due to the non-recognition of the June state aid payments as explained in Note 1P on the previous page, the accrual of \$4,592,458 in compensated absences payable, \$37,499 in accrued interest payable, \$251,873 of unamortized bond issuance premiums, deferred inflows related to pensions of \$4,245,747 and net pension liability of \$9,159,251, offset by deferred outflows related to pensions of \$931,345, excluding the District contribution subsequent to the measurement date, and \$5,641,717 governmental funds assigned and unassigned fund balances. The District also has a \$346,865 deficit in unrestricted net position in Region I Administration as of June 30, 2021 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, 2021 for the deferred amount on refunding of debt related to the District's 2020 and 2011 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, 2021, 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, 2021
(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, 2021
(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 in the section of this Note on investments.

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, 2021
(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, 2021
(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, 2021, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents		
	Restricted		
	Reserve Accounts		
	Capital	Maintenance	Emergency
Checking Accounts	\$ 8,675,692	\$ 8,521,780	\$ 1,750,000
	\$ 508,900		

	Cash and Cash Equivalents		
	Restricted		
	Reserve Accounts		
	Unemployment Compensation	Student Activities	Scholarship
			Total
Checking Accounts	\$ 731,727	\$ 1,106,911	\$ 1,950,522
			\$ 23,245,532

During the period ended June 30, 2021, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2021 was \$23,245,532 and the bank balance was \$26,934,261.

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.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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.

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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 6,136,618
Board Approved Withdrawal - Capital Outlay	(126,850)
Interest Earned	12,012
Increase Approved by Board Resolution June 16, 2021	<u>2,500,000</u>
Ending Balance, June 30, 2021	<u>\$ 8,521,780</u>

The balance in the capital reserve account at June 30, 2021 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, 2021
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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

Beginning Balance, July 1, 2020	\$ 750,000
Board Approved Withdrawal - Maintenance	(250,000)
Increase Approved by Board Resolution June 16, 2021	<u>1,250,000</u>
Ending Balance, June 30, 2021	<u>\$ 1,750,000</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 1st and June 30th 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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	<u>\$ 508,900</u>
Ending Balance, June 30, 2021	<u>\$ 508,900</u>

NOTE 7. RECEIVABLES FROM OTHER GOVERNMENTS

The following receivables due from other governments existed as of June 30, 2021:

	Governmental Activities			Business-Type Activities
	General Fund	Special Revenue Fund	Total Governmental Funds	Proprietary Funds
Federal		\$ 32,620	\$ 32,620	\$ 103,817
State	\$ 1,171,172		1,171,172	4,908
Other				1,139,408
	<u>\$ 1,171,172</u>	<u>\$ 32,620</u>	<u>\$ 1,203,792</u>	<u>\$ 1,248,133</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2021, the District transferred \$1,000,300 to the capital outlay accounts; \$501,993 for equipment, including \$410,811 from Unassigned Fund Balance and \$498,307 for facilities acquisition and construction services, including \$126,850 and \$144,365 from the Capital Reserve and Unassigned Fund Balance, respectively, for which County Superintendent approval was required.

NOTE 9. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2021 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 1,451,475			\$ 1,451,475
Total Capital Assets Not Being Depreciated	<u>1,451,475</u>			<u>1,451,475</u>
Capital Assets Being Depreciated:				
Buildings and Building Improvements	31,569,812	\$ 1,644,913		33,214,725
Site Improvements	330,976			330,976
Machinery and Equipment	5,479,974	192,615	\$ (68,852)	5,603,737
Total Capital Assets Being Depreciated	<u>37,380,762</u>	<u>1,837,528</u>	<u>(68,852)</u>	<u>39,149,438</u>
Governmental Activities Capital Assets	<u>38,832,237</u>	<u>1,837,528</u>	<u>(68,852)</u>	<u>40,600,913</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(15,652,705)	(543,324)		(16,196,029)
Site Improvements	(22,065)	(11,033)		(33,098)
Machinery and Equipment	(3,116,302)	(389,159)	57,138	(3,448,323)
	<u>(18,791,072)</u>	<u>(943,516)</u>	<u>57,138</u>	<u>(19,677,450)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 20,041,165</u>	<u>\$ 894,012</u>	<u>\$ (11,714)</u>	<u>\$ 20,923,463</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 473,701	\$ 6,760		\$ 480,461
Less Accumulated Depreciation	<u>(322,667)</u>	<u>(27,520)</u>		<u>(350,187)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 151,034</u>	<u>\$ (20,760)</u>	<u>\$ - 0 -</u>	<u>\$ 130,274</u>

The increases totaling \$1,844,288 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, 2021
(Continued)

NOTE 9. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 23,644
Student and Instruction Related Services	82,873
General Administrative Services	96,881
School Administrative Services	6,389
Plant Operations and Maintenance	93,928
Pupil Transportation	58,533
Unallocated	<u>581,268</u>
	<u>\$ 943,516</u>

NOTE 10. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the District-wide financial statements:

	<u>Balance</u> <u>6/30/2020</u>	<u>Issued/</u> <u>Added</u>	<u>Retired/</u> <u>Matured</u>	<u>Balance</u> <u>6/30/2021</u>
Governmental Activities:				
Serial Bonds Payable	\$ 4,390,000	\$ 1,317,000	\$ 2,692,000	\$ 3,015,000
Unamortized Bond Issuance Premiums	351,043		99,170	251,873
Net Pension Liability	10,339,035		1,179,784	9,159,251
Compensated Absences Payable	<u>4,298,803</u>	<u>503,655</u>	<u>210,000</u>	<u>4,592,458</u>
Total Governmental Activities	<u>19,378,881</u>	<u>1,820,655</u>	<u>4,180,954</u>	<u>17,018,582</u>
Business-Type Activities:				
Net Pension Liability	<u>590,178</u>		<u>46,833</u>	<u>543,345</u>
Total Business-Type Activities	<u>590,178</u>		<u>46,833</u>	<u>543,345</u>
Total District-wide	<u>\$19,969,059</u>	<u>\$ 1,820,655</u>	<u>\$ 4,227,787</u>	<u>\$17,561,927</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.

On July 15, 2020, the District issued refunding school bonds of \$1,317,000 with an interest rate of 1.067% to refund \$1,260,000 of 2009 refunding school bonds with an interest rate of 5.00%. The bonds mature on September 15, 2021 through 2022 and are non-callable. The net proceeds from the issuance of the refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2009 refunding school bonds were called on September 15, 2020. The refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the District's government-wide financial statements.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

A. Bonds Payable:

As a result of the refunding, the District will realize a total of \$40,931 in cash savings over the life of the bond issue. On a net present value basis, the savings equate to \$40,064, or 3.18%, of the bonds refunded.

The District had bonds outstanding as of June 30, 2021 as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
School Refunding Bonds	10/05/11	08/15/23	4.00% - 5.00%	\$ 1,750,000
School Refunding Bonds	07/15/20	09/15/22	1.067%	1,265,000
				<u>\$ 3,015,000</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>
2022	\$ 1,395,000	\$ 78,756	\$ 1,473,756
2023	1,075,000	44,883	1,119,883
2024	545,000	13,625	558,625
	<u>\$ 3,015,000</u>	<u>\$ 137,264</u>	<u>\$ 3,152,264</u>

B. Bonds Authorized But Not Issued:

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

C. Capital Leases Payable:

As of June 30, 2021, 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 entire \$4,592,458 of compensated absences payable at June 30, 2021 is long-term. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, no liability existed for compensated absences in the Proprietary 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, 2021 is \$99,170 and the long-term portion is \$152,703.

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, 2021 is \$0- and the long-term portion is \$9,702,596 (\$9,159,251 governmental activities and \$543,345 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, 2021

(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 annual financial statements which can be found at 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, Tiers 3 and 4 with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more 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 provided under this law.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

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 \$650,880 for 2021 (\$614,643 general fund and \$36,237 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, 2021, the District reported a liability of \$9,702,596 for its proportionate share of the net pension liability (\$9,159,251 governmental activities and \$543,345 business-type activities). The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The 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, 2020, the District's proportion was 0.0595%, which was a decrease of 0.0012% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$44,417.

At June 30, 2021, 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, 2021
(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:			
2016	5.57 years	\$ 314,763	
2017	5.48 years		\$ 918,430
2018	5.63 years		901,044
2019	5.21 years		715,558
2020	5.16 years		1,527,537
Subtotal		314,763	4,062,569
Changes in Proportion:			
2016	5.57 years		53,491
2017	5.48 years		17,480
2018	5.63 years	163,520	
2019	5.21 years		119,684
2020	5.16 years		210,077
Subtotal		163,520	400,732
Difference Between Expected and Actual Experience:			
2016	5.57 years	9,552	
2017	5.48 years	27,314	
2018	5.63 years		34,313
2019	5.21 years	54,698	
2020	5.16 years	85,104	
Subtotal		176,668	34,313
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments:			
2017	5 years	(118,730)	
2018	5 years	(110,115)	
2019	5 years	26,648	
2020	5 years	533,840	
Subtotal		331,643	
District Contribution Subsequent to the Measurement			
Date - 2020	1 year	679,252	
		\$ 1,665,846	\$ 4,497,614

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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
2021	\$ (1,217,498)
2022	(1,109,988)
2023	(634,330)
2024	(256,512)
2025	(55,480)
	\$ (3,273,808)

Actuarial Assumptions

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

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-2020.

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2020 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the noncontributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2020 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, 2020		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 12,213,950	\$ 9,702,596	\$ 7,571,644

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 annual financial statements which can be found at 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, 2021
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th 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, Tiers 3 and 4 with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more 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 retirement age for their 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 State of New Jersey's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2021, the State of New Jersey contributed \$6,958,016 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$9,851,019.

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, 2021, the State's proportionate share of the net pension liability attributable to the District was \$158,416,606. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The 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, 2020, the District's proportion was 0.2406%, which was an increase of 0.0093% from its proportion measured as of June 30, 2019.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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		158,416,606
Total		\$ 158,416,606

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$9,851,019 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 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	\$ 461,324,773	
2015	8.30 years	1,638,696,238	
2016	8.30 years	4,304,747,820	
2017	8.30 years		\$ 6,882,861,832
2018	8.29 years		4,349,959,805
2019	8.04 years		3,009,143,115
2020	7.99 years	1,411,170,422	
		7,815,939,253	14,241,964,752
Difference Between Expected and Actual Experience:			
2014	8.50 years		4,393,807
2015	8.30 years	101,207,836	
2016	8.30 years		53,533,223
2017	8.30 years	122,460,660	
2018	8.29 years	763,099,015	
2019	8.04 years		116,909,940
2020	7.99 years	7,520,890	
		986,767,511	182,357,860
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments:			
2017	5 years	(226,008,261)	
2018	5 years	(192,060,744)	
2019	5 years	108,662,078	
2020	5 years	965,582,162	
		656,175,235	
		\$ 9,458,881,999	\$ 14,424,322,612

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	(335,285,618)
	\$ (4,965,440,613)

Actuarial Assumptions

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

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 78% 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 2062. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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 State's proportionate share of the net pension liability associated with the District as of June 30, 2020 calculated using the discount rate as disclosed below, as well as what the State's proportionate share of the net pension liability associated with 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, 2020		
	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 186,078,856	\$ 158,416,606	\$ 135,447,749

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 \$40,742 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$71,559 for the fiscal year ended June 30, 2021.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2021
(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.

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 fiscal year 2020 is reflected.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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)

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2021, 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, 2021
(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, 2021
(Continued)

NOTE 13. RISK MANAGEMENT (Cont'd)

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

The June 30, 2021 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, 2020 is as follows:

	Northeast Bergen County School Board Insurance Group (NESBIG)
Total Assets	\$ 33,363,950
Net Position	\$ 20,844,500
Total Revenue	\$ 14,825,180
Total Expenses	\$ 11,386,888
Member Dividends	\$ 2,150,955
Change in Net Position for the Year Ended June 30, 2020	\$ 1,287,337

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 Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two fiscal years.

Fiscal Year	District Contributions	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2020-2021	\$ -0-	\$ 1,413	\$ 158,389	\$ 111,464	\$ 731,727
2019-2020	-0-	5,968	109,979	110,474	683,389
2018-2019	-0-	6,779	87,640	96,469	677,916

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2021:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 860,974	\$ 34,348
Proprietary Funds:		
Region I Transportation		860,974
Food Service	<u>34,348</u>	
	<u>\$ 895,322</u>	<u>\$ 895,322</u>

The General Fund interfund receivable of \$860,974 is an interfund loan due from the Region I Transportation Fund due to receivables which had not yet been collected as of June 30, 2021. The General Fund interfund payable of \$34,348 is due to the Food Service Enterprise Fund for subsidy reimbursements which had not been remitted as of June 30, 2021.

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.

The plan administrators are as follows:

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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, 2021:

	<u>Governmental Funds</u>		District	Total
	General Fund	Special Revenue Fund	Contribution Subsequent to Measurement Date	
Accrued Salaries and Wages	\$ 100,580			\$ 100,580
Payroll Deductions and Withholdings	34,834			34,834
Vendors	668,125	\$ 6,295		674,420
Due to:				
State of New Jersey			\$ 641,214	641,214
	<u>\$ 803,539</u>	<u>\$ 6,295</u>	<u>\$ 641,214</u>	<u>\$ 1,451,048</u>

	<u>Proprietary Funds</u>		District	Total
	Food Service	Region I Administration	Contribution Subsequent to Measurement Date	
Vendors	\$ 49,655	\$ 2,666		\$ 52,321
Due to:				
State of New Jersey			\$ 38,038	38,038
	<u>\$ 49,655</u>	<u>\$ 2,666</u>	<u>\$ 38,038</u>	<u>\$ 90,359</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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, 2021, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

<u>Governmental Funds</u>	
<u>General Fund</u>	<u>Total</u>
<u>\$ 2,224,568</u>	<u>\$ 2,224,568</u>

NOTE 20. OPERATING LEASES

As of June 30, 2021, 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>
2022	\$ 819,982
2023	77,194
2024	2,280
2025	190
Total future minimum lease payments	<u>\$ 899,646</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 21. PRIOR YEAR ADJUSTMENT

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance and Flexible Spending Trust Funds which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities (which includes Athletic Activities) and Scholarship Funds are now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to this implementation as follows:

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 as Restated
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$ 15,054,086	\$ 2,034,970	\$ 17,089,056
 <u>Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	\$ 16,929,541	\$ 683,389	\$ 17,612,930
Special Revenue Fund:			
Fund Balance - June 30	\$ -0-	\$ 1,351,581	\$ 1,351,581
 <u>Statement of Changes in Fiduciary Net Position - Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	\$ 683,389	\$ (683,389)	\$ -0-
Private Purpose Scholarship Trust:			
Net Position - End of the Year	\$ 319,371	\$ (319,371)	\$ -0-
Flexible Benefits Trust:			
Net Position - End of the Year	\$ 35,598	\$ (35,598)	\$ -0-

NOTE 22. 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. There have been additional operating expenses in the General Fund due to schools re-opening on a full-time basis.

The District's Food Service Enterprise Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2022, as the District continues to offer free meals to students. The District is starting to offer a la carte items for sale as well.

The District's Region I Transportation Enterprise Fund has been impacted by COVID-19 for the fiscal year ending 30, 2022 as follows: The District has seen an increase in daily rates from the transportation contractors.

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 SEVEN 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	2021			
District's proportion of the net pension liability	0.0606555673%	0.0594981727%			
District's proportionate share of the net pension liability	\$ 10,929,213	\$ 9,702,596			
District's covered employee payroll	\$ 4,331,687	\$ 4,214,133			
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	252.31%	230.24%			
Plan fiduciary net position as a percentage of the total pension liability	56.27%	58.32%			

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 SEVEN 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	(524,459)	(540,681)	(535,324)	(564,328)	(632,594)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
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	2021			
Contractually required contribution	\$ 591,839	\$ 650,880			
Contributions in relation to the contractually required contribution	(591,839)	(650,880)			
Contribution deficiency/(excess)	\$ -0-	\$ -0-			
District's covered employee payroll	\$ 4,214,133	\$ 4,397,847			
Contributions as a percentage of covered employee payroll	14.04%	14.80%			

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 SEVEN 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%
	Fiscal Year Ending June 30,				
	2020	2021			
State's proportion of the net pension liability attributable to the District	0.2312923265%	0.2405763104%			
State's proportionate share of the net pension liability attributable the District	\$ 141,946,284	\$ 158,416,606			
District's covered employee payroll	\$ 26,033,263	\$ 27,021,314			
State's proportionate share of the net pension liability attributable to the District as a percentage of District's covered employee payroll	545.25%	586.27%			
Plan fiduciary net position as a percentage of the total pension liability	26.95%	24.60%			

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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contributor	\$ 6,791,955	\$ 9,369,808	\$ 14,461,032	\$ 11,289,669	\$ 8,385,506
Contributions in relation to the contractually required contribution	<u>(1,312,623)</u>	<u>(1,958,837)</u>	<u>(2,623,690)</u>	<u>(3,329,710)</u>	<u>(4,548,960)</u>
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%
	Fiscal Year Ending June 30,				
	2020	2021			
Contractually required contributor	\$ 8,372,371	\$ 9,851,019			
Contributions in relation to the contractually required contribution	<u>(5,276,760)</u>	<u>(6,958,016)</u>			
Contribution deficiency/(excess)	<u>\$ 3,095,611</u>	<u>\$ 2,893,003</u>			
District's covered employee payroll	\$ 27,021,314	\$ 27,898,674			
Contributions as a percentage of covered employee payroll	19.53%	24.94%			

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

* - 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, 2021

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

	<u>As of June 30,</u>	
	<u>2020</u>	<u>2019</u>
Discount Rate	7.00%	6.28%

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

	<u>As of June 30,</u>	
	<u>2020</u>	<u>2019</u>
Discount Rate	5.40%	5.60%
Municipal Bond Rate	2.21%	3.50%

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 64,995,945		\$ 64,995,945	\$ 64,995,945	
Unrestricted Miscellaneous Revenues	15,000		15,000	569,893	\$ 554,893
Interest Earned on Capital Reserve Funds	100		100	12,012	11,912
Interest Earned on Emergency Reserve Funds	100		100		(100)
Other Restricted Miscellaneous Revenues	190,000		190,000	35,010	(154,990)
Total - Local Sources	65,201,145		65,201,145	65,612,860	411,715
State Sources:					
Transportation Aid	636,428		636,428	636,428	
Extraordinary Special Education Costs Aid	225,000		225,000	1,030,013	805,013
Special Education Categorical Aid	2,478,715	\$ (202,649)	2,276,066	2,276,066	
Categorical Security Aid	59,339		59,339	59,339	
Nonpublic School Transportation Costs				42,231	42,231
On-Behalf TPAF Contributions (Non-Budgeted):					
Post-Retirement Medical Benefits					
Pension					
Non-Contributory Insurance					
Long-Term Disability Insurance					
Reimbursed TPAF Social Security (Non-Budgeted)					
Total State Sources	3,399,482	(202,649)	3,196,833	15,352,612	12,155,779
Federal Sources:					
Medicaid Reimbursement (SEMI)	32,240		32,240	46,309	14,069
Total Federal Sources	32,240		32,240	46,309	14,069
TOTAL REVENUES	68,632,867	(202,649)	68,430,218	81,011,781	12,581,563

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 768,776	\$ 39,608	\$ 808,384	\$ 752,219	\$ 56,165
Grades 1-5 - Salaries of Teachers	5,314,423	347,280	5,661,703	5,485,121	176,582
Grades 6-8 - Salaries of Teachers	3,991,723	(198,816)	3,792,907	3,678,670	114,237
Grades 9-12 - Salaries of Teachers	6,187,689	(49,171)	6,138,518	5,847,710	290,808
Regular Programs - Home Instruction:					
Salaries of Teachers	35,000	380	35,380	35,380	
Purchased Professional - Educational Services	20,000	5,718	25,718	25,718	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	647,697	(243,230)	404,467	303,885	100,582
Purchased Professional - Educational Services	490,000		490,000	375,483	114,517
Purchased Technical Services		13,225	13,225	13,225	
Other Purchased Services (400-500 series)	813,000	141,314	954,314	858,839	95,475
General Supplies	861,623	10,160	871,783	647,967	223,816
Textbooks	95,111	(12,967)	82,144	52,115	30,029
Other Objects	40,735	(6,536)	34,199	24,407	9,792
Total Regular Programs - Instruction	19,265,777	46,965	19,312,742	18,100,739	1,212,003
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	733,192	116,699	849,891	849,889	2
Other Salaries for Instruction	209,894	16,749	226,643	219,636	7,007
General Supplies	26,238	1,783	28,021	20,009	8,012
Textbooks	1,161		1,161	450	711
Total Learning and/or Language Disabilities	970,485	135,231	1,105,716	1,089,984	15,732

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Special Education - Instruction: (Cont'd)					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 4,219,631	\$ (143,476)	\$ 4,076,155	\$ 4,073,360	\$ 2,795
Other Salaries for Instruction	174,406	(46,134)	128,272	128,272	
General Supplies	38,781	(466)	38,315	27,399	10,916
Textbooks	5,092		5,092	1,615	3,477
Total Resource Room/Resource Center	4,437,910	(190,076)	4,247,834	4,230,646	17,188
Preschool Disabilities - Part-Time:					
Salaries of Teachers	212,550	(25,967)	186,583	186,583	
Other Salaries for Instruction	37,390	18,079	55,469	45,225	10,244
General Supplies	3,313	1,907	5,220	5,220	
Other Objects		756	756		
Total Preschool Disabilities - Part-Time	253,253	(5,225)	248,028	237,784	10,244
Home Instruction:					
Salaries of Teachers	40,000	(17,720)	22,280	3,100	19,180
Purchased Professional - Educational Services	15,000	(1,907)	13,093	1,529	11,564
Total Home Instruction	55,000	(19,627)	35,373	4,629	30,744
Total Special Education Instruction	5,716,648	(79,697)	5,636,951	5,563,043	73,908
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	918,910	104,407	1,023,317	957,297	66,020
General Supplies	22,980	(800)	22,180	11,694	10,486
Textbooks	5,100	(431)	4,669	2,106	2,563
Total Basic Skills/Remedial - Instruction	946,990	103,176	1,050,166	971,097	79,069

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 231,179	\$ (12,615)	\$ 218,564	\$ 218,564	
General Supplies	3,688		3,688	3,254	\$ 434
Total Bilingual Education - Instruction	234,867	(12,615)	222,252	221,818	434
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	380,000	122,474	502,474	428,643	73,831
Purchased Services (300-500 series)		4,000	4,000	4,000	
Supplies and Materials	16,500	(3,168)	13,332	363	12,969
Other Objects	28,400	(5,000)	23,400	7,239	16,161
Total School-Sponsored Cocurricular Activities - Instruction	424,900	118,306	543,206	440,245	102,961
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	587,248	30,300	617,548	588,740	28,808
Purchased Services (300-500 series)	154,432	18,019	172,451	85,091	87,360
Supplies and Materials	141,858	(28,194)	113,664	96,056	17,608
Other Objects	15,635	(7,600)	8,035	7,706	329
Total School-Sponsored Cocurricular Athletics - Instruction	899,173	12,525	911,698	777,593	134,105
Total Instruction	27,488,355	188,660	27,677,015	26,074,535	1,602,480

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 50,000		\$ 50,000		\$ 50,000
Tuition to Other LEAs Within the State - Special	1,132,200	\$ 160,822	1,293,022	\$ 1,216,283	76,739
Tuition to County Vocational Schools - Regular	472,600	(15,164)	457,436	456,198	1,238
Tuition to County Vocational Schools - Special	27,000	38,016	65,016	40,548	24,468
Tuition to County Special Services Schools and Regional Day Schools	707,300		707,300	501,291	206,009
Tuition to Private Schools for the Disabled - Within the State	2,938,084	(213,615)	2,724,469	2,090,094	634,375
Tuition to Private Schools for the Disabled and Other LEA's - Outside the State	140,000		140,000	114,080	25,920
Tuition - State Facilities	39,872		39,872	39,872	
Total Undistributed Expenditures - Instruction	5,507,056	(29,941)	5,477,115	4,458,366	1,018,749
Health Services:					
Salaries	531,769	15,861	547,630	547,628	2
Purchased Professional and Technical Services	29,500	(3,811)	25,689	25,689	
Supplies and Materials	16,496	9,251	25,747	22,906	2,841
Total Health Services	577,765	21,301	599,066	596,223	2,843
Speech, OT, PT and Related Services:					
Salaries	422,524	27,643	450,167	438,605	11,562
Purchased Professional - Educational Services	1,500,000	58,973	1,558,973	1,231,941	327,032
Supplies and Materials	8,977		8,977	8,872	105
Other Objects	10,195		10,195	3,588	6,607
Total - Speech, OT, PT and Related Services	1,941,696	86,616	2,028,312	1,683,006	345,306

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Other Support Services - Students - Extraordinary Services:					
Salaries	\$ 1,555,082	\$ 60,610	\$ 1,615,692	\$ 1,596,600	\$ 19,092
Purchased Professional - Educational Services	827,000	(341,537)	485,463	392,018	93,445
Supplies and Materials		104	104	104	
Other Objects		974	974	973	1
Total Other Support Services - Students - Extraordinary Services	2,382,082	(279,849)	2,102,233	1,989,695	112,538
Guidance:					
Salaries of Other Professional Staff	951,349	8,000	959,349	890,415	68,934
Salaries of Secretarial and Clerical Assistants	104,000		104,000	94,098	9,902
Other Purchased Professional and Technical Services	6,000	3,416	9,416	9,384	32
Supplies and Materials	29,525	(5,000)	24,525	20,818	3,707
Other Objects	106,062	(13,070)	92,992	77,426	15,566
Total Guidance	1,196,936	(6,654)	1,190,282	1,092,141	98,141
Child Study Team:					
Salaries of Other Professional Staff	1,612,412	210,914	1,823,326	1,823,325	1
Salaries of Secretarial and Clerical Assistants	114,500	3,884	118,384	118,384	
Other Purchased Services (400-500 series)	11,500	(5,138)	6,362	4,583	1,779
Supplies and Materials	15,415	(6,433)	8,982	7,432	1,550
Other Objects	5,000	(926)	4,074	4,074	
Total Child Study Team	1,758,827	202,301	1,961,128	1,957,798	3,330

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 174,738	\$ 14,426	\$ 189,164	\$ 189,164	
Salaries of Other Professional Staff	1,269,342	(144,927)	1,124,415	1,124,415	
Salaries of Secretarial and Clerical Assistants	55,000	344	55,344	55,344	
Other Salaries	50,000	(9,841)	40,159	34,112	\$ 6,047
Other Purchased Professional and Technical Services	15,200	21,462	36,662	36,662	
Other Purchased Services (400-500 series)	5,000	(4,455)	545	545	
Supplies and Materials	4,750	(1,336)	3,414	2,690	724
Other Objects	5,001	(3,400)	1,601	1,600	1
Total Improvement of Instructional Services	<u>1,579,031</u>	<u>(127,727)</u>	<u>1,451,304</u>	<u>1,444,532</u>	<u>6,772</u>
Educational Media Services/School Library:					
Salaries	372,719	80,652	453,371	444,808	8,563
Supplies and Materials	468,653	(114,866)	353,787	148,345	205,442
Other Objects	2,500	5,168	7,668	6,380	1,288
Total Educational Media Services/School Library	<u>843,872</u>	<u>(29,046)</u>	<u>814,826</u>	<u>599,533</u>	<u>215,293</u>
Instructional Staff Training Services:					
Other Salaries	15,000		15,000	4,459	10,541
Other Purchased Professional and Technical Services	64,740		64,740	480	64,260
Other Purchased Services (400-500 series)	15,000		15,000	5,421	9,579
Supplies and Materials	15,000		15,000	15,000	15,000
Other Objects	1,200		1,200	175	1,025
Total Instructional Staff Training Services	<u>110,940</u>		<u>110,940</u>	<u>10,535</u>	<u>100,405</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Support Services - General Administration:					
Salaries	\$ 288,351	\$ 604	\$ 288,955	\$ 288,955	
Legal Services	100,000	8,787	108,787	93,438	\$ 15,349
Audit Fees	87,500	(1,000)	86,500	44,000	42,500
Architectural/Engineering Services	5,000	26,190	31,190	13,080	18,110
Other Purchased Professional Services	37,391	17,080	54,471	42,176	12,295
Purchased Technical Services	34,000	(24,939)	9,061	6,060	3,001
Communications/Telephone	407,443	893	408,336	388,212	20,124
BOE Other Purchased Services	10,000	(1,210)	8,790	50	8,740
General Supplies	8,000		8,000	2,165	5,835
BOE In-House Training/Meeting Supplies	4,000		4,000	2,194	1,806
Miscellaneous Expenditures	9,000		9,000	2,174	6,826
BOE Membership Dues and Fees	31,000		31,000	30,623	377
Total Support Services - General Administration	1,021,685	26,405	1,048,090	913,127	134,963
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,555,085	144,146	1,699,231	1,686,350	12,881
Salaries of Secretarial and Clerical Assistants	757,651	(32,978)	724,673	721,782	2,891
Purchased Professional and Technical Services	10,000	(3,234)	6,766		6,766
Other Purchased Services (400-500 series)	5,000		5,000	730	4,270
Supplies and Materials	147,213	(8,862)	138,351	106,640	31,711
Other Objects	34,894	(10,575)	24,319	15,337	8,982
Total Support Services - School Administration	2,509,843	88,497	2,598,340	2,530,839	67,501

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Central Services:					
Salaries	\$ 793,737	\$ (8,354)	\$ 785,383	\$ 785,383	
Purchased Technical Services	164,200	(1,102)	163,098	160,598	\$ 2,500
Miscellaneous Purchased Services (400-500 series)	7,000	(6,870)	130	130	
Supplies and Materials	21,651	(2,212)	19,439	7,309	12,130
Miscellaneous Expenditures	17,784		17,784	11,904	5,880
Total Central Services	<u>1,004,372</u>	<u>(18,538)</u>	<u>985,834</u>	<u>965,324</u>	<u>20,510</u>
Administration Information Technology:					
Salaries	474,517	(28,398)	446,119	446,118	1
Purchased Professional Services	236,608	37,572	274,180	274,179	1
Other Purchased Services (400-500 series)	25,000	(10,538)	14,462	14,462	14,462
Supplies and Materials	357,006	(14,338)	342,668	205,704	136,964
Other Objects	5,000		5,000	5,000	5,000
Total Administration Information Technology	<u>1,098,131</u>	<u>(15,702)</u>	<u>1,082,429</u>	<u>926,001</u>	<u>156,428</u>
Required Maintenance for School Facilities:					
Salaries	496,601	(15,582)	481,019	481,019	
Cleaning, Repair and Maintenance Services	1,701,089	707,802	2,408,891	1,424,734	984,157
General Supplies	161,807	(44,643)	117,164	116,066	1,098
Total Required Maintenance for School Facilities	<u>2,359,497</u>	<u>647,577</u>	<u>3,007,074</u>	<u>2,021,819</u>	<u>985,255</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 142,884	\$ (7,577)	\$ 135,307	\$ 135,305	\$ 2
Purchased Professional and Technical Services	1,894,000	169,121	2,063,121	1,909,060	154,061
Cleaning, Repair and Maintenance Services	408,468	(26,835)	381,633	311,000	70,633
Insurance	369,000	14,280	383,280	381,891	1,389
Miscellaneous Purchased Services	75,750	1,250	77,000	42,304	34,696
General Supplies	329,237	190,984	520,221	477,675	42,546
Energy (Natural Gas)	305,000	(90,955)	214,045	213,671	374
Energy (Electricity)	901,000	(77,365)	823,635	820,551	3,084
Other Objects		434	434	434	
Total Custodial Services	4,425,339	173,337	4,598,676	4,291,891	306,785
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	356,174	9,920	366,094	161,935	204,159
Total Care and Upkeep of Grounds	356,174	9,920	366,094	161,935	204,159
Security:					
Purchased Professional and Technical Services	50,000	48,412	98,412	98,245	167
Cleaning, Repair and Maintenance Services	359,697	(114,166)	245,531	36,225	209,306
General Supplies	44,565	15,754	60,319	55,319	5,000
Total Security	454,262	(50,000)	404,262	189,789	214,473

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Special	\$ 380,266		\$ 380,266	\$ 335,662	\$ 44,604
Other Than Between Home and School - Regular	50,000		50,000	21,373	28,627
Other Purchased Professional and Technical Services		\$ 250	250	250	
Cleaning, Repair and Maintenance Services	15,000		15,000	2,557	12,443
Contracted Services:					
Aid in Lieu Payments - Nonpublic Schools	120,000	36,188	156,188	87,685	68,503
Between Home and School - Vendors	1,726,563	99,362	1,825,925	1,738,302	87,623
Other Than Between Home and School - Vendors	229,375		229,375	111,193	118,182
Special Education Students - Vendors	25,000		25,000	10,540	14,460
Regular Students - ESCs & CTSA's	260,000		260,000	219,427	40,573
Special Education Students - ESCs & CTSA's	1,620,000	(135,800)	1,484,200	1,200,474	283,726
Miscellaneous Purchased Services	22,300		22,300	8,331	13,969
General Supplies	85,000		85,000	34,584	50,416
Total Student Transportation Services	4,533,504		4,533,504	3,770,378	763,126
Unallocated Benefits:					
Group Insurance	16,000		16,000	14,261	1,739
Social Security Contributions	650,013	(564)	649,449	631,360	18,089
Other Retirement Contributions - PERS	633,650		633,650	614,643	19,007
Other Retirement Contributions - Regular	50,000		50,000	40,742	9,258
Workmen's Compensation	195,606	438	196,044	174,193	21,851
Health Benefits	9,055,038	(960,844)	8,094,194	7,627,766	466,428
Tuition Reimbursement	136,411	10,238	146,649	122,748	23,901
Other Employee Benefits	162,450	(4,699)	157,751	36,705	121,046
Unused Sick Payment to Terminated/Retired Staff	275,000		275,000	210,000	65,000
Total Unallocated Benefits	11,174,168	(955,431)	10,218,737	9,472,418	746,319

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
On-Behalf TPAF Contributions (Non-Budgeted):					
Post-Retirement Medical Benefits				\$ 2,222,021	\$ (2,222,021)
Pension				6,958,016	(6,958,016)
Non-Contributory Insurance				132,385	(132,385)
Long-Term Disability Insurance				3,517	(3,517)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				1,992,596	(1,992,596)
Total On-Behalf and Reimbursed TPAF Contributions				11,308,535	(11,308,535)
Total Personal Services - Employee Benefits	\$ 11,174,168	\$ (955,431)	\$ 10,218,737	20,780,953	(10,562,216)
Total Undistributed Expenses	44,835,180	(256,934)	44,578,246	50,383,885	(5,805,639)
TOTAL GENERAL CURRENT EXPENSE	72,323,535	(68,274)	72,255,261	76,458,420	(4,203,159)
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Instruction		19,868	19,868	19,867	1
Administration Information Technology		410,811	410,811	327,128	83,683
Required Maintenance for School Facilities	103,008	71,054	174,062	103,378	70,684
Student Transportation - Non-Instructional Equipment		260	260	216	44
Total Equipment	103,008	501,993	605,001	450,589	154,412
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	28,292	126,850	155,142	68,214	86,928
Construction Services	627,021	227,092	854,113	602,026	252,087
Buildings - Other than Lease Purchase Agreements	219,097	144,365	363,462	219,097	144,365
Assessment for Debt Service on SDA Funding	79,684		79,684	79,684	
Total Facilities Acquisition and Construction Services	954,094	498,307	1,452,401	969,021	483,380

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
TOTAL CAPITAL OUTLAY	\$ 1,057,102	\$ 1,000,300	\$ 2,057,402	\$ 1,419,610	\$ 637,792
TOTAL EXPENDITURES	73,380,637	932,026	74,312,663	77,878,030	(3,565,367)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(4,747,770)	(1,134,675)	(5,882,445)	3,133,751	9,016,196
Fund Balance, July 1 (Restated)	17,821,217		17,821,217	17,821,217	
Fund Balance, June 30	\$ 13,073,447	\$ (1,134,675)	\$ 11,938,772	\$ 20,954,968	\$ 9,016,196

Recapitulation:	
Restricted:	
Excess Surplus	\$ 688,430
Excess Surplus - Designated for Subsequent Year's Expenditures	2,876,339
Capital Reserve	8,521,780
Maintenance Reserve	1,750,000
Emergency Reserve	508,900
Unemployment Compensation	731,727
Assigned:	
Year-End Encumbrances	2,224,568
Designated for Subsequent Year's Expenditures	143,200
Unassigned	3,510,024
	<u>20,954,968</u>
Reconciliation to Governmental Funds Statement (GAAP):	
June State Aid Payments not Recognized on GAAP Basis	(236,075)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 20,718,893</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 17,100	\$ 6,782	\$ 23,882	\$ 15,829	\$ (8,053)
Federal Sources	682,000	707,233	1,389,233	1,323,355	(65,878)
Local Sources		337,451	337,451	2,042,145	1,704,694
Total Revenues	699,100	1,051,466	1,750,566	3,381,329	1,630,763
EXPENDITURES:					
Instruction					
Personal Services - Salaries	150,000	(36,881)	113,119	113,119	
Other Purchased Services		60,113	60,113	60,113	
Tuition	480,000	217,532	697,532	697,532	
General Supplies	9,000	8,421	17,421	17,263	158
Textbooks	1,300	961	2,261	2,176	85
Other Objects	15,800	6,821	22,621	13,653	8,968
Total Instruction	656,100	256,967	913,067	903,856	9,211
Support Services					
Personal Services - Salaries	5,000	92,265	97,265	97,265	
Personal Services - Employee Benefits		47,547	47,547		47,547
Purchased Technical Services		98,354	98,354	98,354	
Other Purchased Services	38,000	10,101	48,101	31,950	16,151
Supplies and Materials		212,391	212,391	210,211	2,180
Student Activities		304,641	304,641	304,641	
Scholarships Awarded		29,200	29,200	29,200	
Total Support Services	43,000	794,499	837,499	771,621	65,878
Total Expenditures	699,100	1,051,466	1,750,566	1,675,477	75,089
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 1,705,852	\$ 1,705,852

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	General Fund	Special Revenue Fund
	<u> </u>	<u> </u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 81,011,781	\$ 3,381,329
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.		
Prior Year Encumbrances		10,575
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	208,287	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(236,075)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u><u>\$ 80,983,993</u></u>	<u><u>\$ 3,391,904</u></u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 77,878,030	\$ 1,675,477
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		
Prior Year Encumbrances		<u>10,575</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 77,878,030</u></u>	<u><u>\$ 1,686,052</u></u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021 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 except for student activities and scholarships. 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, 2021

	Elementary and Secondary Education Act				IDEA - Part B, Basic Regular
	Title I	Title IIA	Title III Immigrant	Title IV	
REVENUE:					
State Sources					
Federal Sources	\$ 184,584	\$ 31,950	\$ 8,471	\$ 14,811	\$ 664,616
Local Sources					
Total Revenue	\$ 184,584	\$ 31,950	\$ 8,471	\$ 14,811	\$ 664,616
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	\$ 93,319				
Other Purchased Services					
Tuition					\$ 664,616
General Supplies				\$ 14,811	
Textbooks					
Other Objects					
Total Instruction	93,319			14,811	664,616
Support Services:					
Personal Services - Salaries	91,265		\$ 6,000		
Personal Services - Employee Benefits					
Purchased Technical Services					
Other Purchased Services		\$ 31,950			
Supplies and Materials			2,471		
Student Activities					
Scholarships Awarded					
Total Support Services	91,265	31,950	8,471		
Total Expenditures	\$ 184,584	\$ 31,950	\$ 8,471	\$ 14,811	\$ 664,616

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	COVID-19					
	IDEA - Part B,				CARES Emergency Relief	
	Basic Preschool	Coronavirus Relief Fund	Digital Divide	Passed-through		
				State of NJ	Bergen County	
REVENUE:						
State Sources						
Federal Sources	\$ 32,916	\$ 106,651	\$ 60,113	\$ 170,899	\$ 48,344	
Local Sources						
Total Revenue	\$ 32,916	\$ 106,651	\$ 60,113	\$ 170,899	\$ 48,344	
EXPENDITURES:						
Instruction:						
Personal Services - Salaries					\$ 19,800	
Other Purchased Services			\$ 60,113			
Tuition	\$ 32,916					
General Supplies						
Textbooks						
Other Objects						
Total Instruction	32,916		60,113		19,800	
Support Services:						
Personal Services - Salaries						
Personal Services - Employee Benefits						
Purchased Technical Services				\$ 98,354		
Other Purchased Services						
Supplies and Materials		\$ 106,651		72,545	28,544	
Student Activities						
Scholarships Awarded						
Total Support Services		106,651		170,899	28,544	
Total Expenditures	\$ 32,916	\$ 106,651	\$ 60,113	\$ 170,899	\$ 48,344	

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Nonpublic Handicapped Services (Chapter 193)</u>			<u>NJ Nonpublic</u>	
	<u>Supplementary Instruction</u>	<u>Examination & Classification</u>	<u>Corrective Speech</u>	<u>Security</u>	<u>Textbooks</u>
REVENUE:					
State Sources	\$ 486	\$ 372	\$ 1,458	\$ 7,160	\$ 2,176
Federal Sources					
Local Sources					
Total Revenue	<u>\$ 486</u>	<u>\$ 372</u>	<u>\$ 1,458</u>	<u>\$ 7,160</u>	<u>\$ 2,176</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries					
Other Purchased Services					
Tuition					
General Supplies					
Textbooks					\$ 2,176
Other Objects	\$ 486	\$ 372	\$ 1,458	\$ 7,160	
Total Instruction	<u>486</u>	<u>372</u>	<u>1,458</u>	<u>7,160</u>	<u>2,176</u>
Support Services:					
Personal Services - Salaries					
Personal Services - Employee Benefits					
Purchased Technical Services					
Other Purchased Services					
Supplies and Materials					
Student Activities					
Scholarships Awarded					
Total Support Services					
Total Expenditures	<u>\$ 486</u>	<u>\$ 372</u>	<u>\$ 1,458</u>	<u>\$ 7,160</u>	<u>\$ 2,176</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>NJ Nonpublic</u> <u>Nursing</u>	<u>Student</u> <u>Activities</u>	<u>Scholarships</u>	<u>Local Programs</u> <u>Other</u>	<u>Totals</u> <u>June 30, 2021</u>
REVENUE:					
State Sources	\$ 4,177				\$ 15,829
Federal Sources					1,323,355
Local Sources		\$ 379,342	\$ 1,660,351	\$ 2,452	2,042,145
Total Revenue	\$ 4,177	\$ 379,342	\$ 1,660,351	\$ 2,452	\$ 3,381,329
EXPENDITURES:					
Instruction:					
Personal Services - Salaries					\$ 113,119
Other Purchased Services					60,113
Tuition					697,532
General Supplies				\$ 2,452	17,263
Textbooks					2,176
Other Objects	\$ 4,177				13,653
Total Instruction	4,177			2,452	903,856
Support Services:					
Personal Services - Salaries					97,265
Personal Services - Employee Benefits					
Purchased Technical Services					98,354
Other Purchased Services					31,950
Supplies and Materials					210,211
Student Activities		\$ 304,641			304,641
Scholarships Awarded			\$ 29,200		29,200
Total Support Services		304,641	29,200		771,621
Total Expenditures	\$ 4,177	\$ 304,641	\$ 29,200	\$ 2,452	\$ 1,675,477

**CAPITAL PROJECTS FUND
(NOT APPLICABLE)**

PROPRIETARY FUNDS

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

	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	\$	383,505	\$	34,777	\$	239,115	\$
Receivable from:							
Federal Government				103,817	103,817		103,817
State Government				4,908	4,908		4,908
Other Governmental Units	\$	1,127,149	12,259	34,348	34,348	1,139,408	1,139,408
Interfund Receivable - General Fund				31,819	31,819		31,819
Inventories							
Total Current Assets		1,127,149	395,764	34,777	448,784	1,557,690	1,971,697
Non-Current Assets:							
Capital Assets				480,461	480,461		480,461
Less: Accumulated Depreciation				(350,187)	(350,187)		(350,187)
Total Non-Current Assets				130,274	130,274		130,274
Total Assets		1,127,149	395,764	34,777	579,058	1,557,690	2,101,971
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred Outflows Related to Pensions			93,287			93,287	93,287
Total Deferred Outflows of Resources			93,287			93,287	93,287

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

	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
LIABILITIES:							
Current Liabilities:							
Interfund Payable - General Fund	\$ 860,974					\$ 860,974	\$ 860,974
Accounts Payable		40,704		\$ 49,655	\$ 49,655	40,704	90,359
Unearned Revenue:							
Prepaid Student Balances				49,063	49,063		49,063
Commodities				7,432	7,432		7,432
Noncurrent Liabilities:							
Due Beyond One Year		543,345				543,345	543,345
Total Liabilities	860,974	584,049		106,150	106,150	1,445,023	1,551,173
DEFERRED INFLOWS OF RESOURCES:							
Deferred Inflows Related to Pensions		251,867				251,867	251,867
Total Deferred Inflows of Resources		251,867				251,867	251,867
NET POSITION:							
Investment in Capital Assets				130,274	130,274		130,274
Unrestricted/(Deficit)	266,175	(346,865)	\$ 34,777	307,857	342,634	(45,913)	261,944
Total Net Position/(Deficit)	\$ 266,175	\$ (346,865)	\$ 34,777	\$ 438,131	\$ 472,908	\$ (45,913)	\$ 392,218

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, 2021

	Business-Type Activities - Enterprise Funds					
	Major Funds			Non-Major Funds		
	Region I	Region I Summer School	Food Service	Non-Major Funds	Total Region I	Total Enterprise Funds
Operating Revenue:						
Charges for Services:						
Daily Sales:						
Non-Reimbursable Programs			\$ 5,360	\$ 5,360	\$ 403,590	\$ 5,360
Program Fees	\$ 403,590					
Transportation Fees from Other LEA's Within the State			5,360	5,360	10,242,343	10,242,343
Special Events			187	187	10,645,933	10,651,293
Total Operating Revenue	10,242,343	403,590	5,547	5,547	10,645,933	10,651,480
Operating Expenses:						
Cost of Sales:						
Reimbursable			270,055	270,055		270,055
Non-Reimbursable			13,892	13,892		13,892
Total Cost of Sales			283,947	283,947		283,947
Salaries, Benefits & Payroll Taxes	312,442		217,551	217,551	312,442	529,993
Contracted Services			47,475	47,475	10,249,134	10,296,609
Purchased Professional/Technical Services		813			813	813
Purchased Property Services			17,579	17,579		17,579
Other Purchased Services			1,360	1,360	1,137	2,497
Supplies and Materials			28,796	28,796		28,796
Rent					35,000	35,000
General Supplies					16,722	17,097
Miscellaneous Expenses		375			375	7,483
Depreciation Expense	2,764		4,719	4,719	2,764	7,483
Total Operating Expenses	10,249,134	368,878	628,947	629,322	10,618,387	11,247,334

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	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)	\$ (6,791)	\$ 34,712	\$ (375)	\$(623,400)	\$ (623,775)	\$ 27,546	\$ (595,854)
Non-Operating Revenue:							
Federal Sources:							
School Breakfast Program:				186,842	186,842		186,842
COVID-19 Seamless Summer Option				435,532	435,532		435,532
National School Lunch Program:				19,698	19,698		19,698
COVID-19 Seamless Summer Option							
Food Distribution Program							
State Sources:							
School Lunch Program:				18,922	18,922		18,922
COVID-19 Seamless Summer Option				2,421	2,421		2,421
Supplemental				468	468		468
Local Sources - Interest Revenue							
Total Non-Operating Revenue				663,883	663,883		663,883
Change in Net Position	(6,791)	34,712	(375)	40,483	40,108	27,546	68,029
Net Position/(Deficit) - Beginning of Year	272,966	(381,577)	35,152	397,648	432,800	(73,459)	324,189
Net Position/(Deficit) - End of Year	\$ 266,175	\$ (346,865)	\$ 34,777	\$ 438,131	\$ 472,908	\$ (45,913)	\$ 392,218

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	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
Cash Flows from Operating Activities:							
Receipts from Customers	\$ 10,078,412	\$ 398,452		\$ 13,360	\$ 13,360	\$ 10,476,864	\$ 10,490,224
Payments to/for Employees		(322,584)				(322,584)	(322,584)
Payments to Food Service Vendor				(542,005)	(542,005)		(542,005)
Payments to Transportation Vendors						(10,252,685)	(10,252,685)
Payments to Suppliers		(50,840)	(375)	(20,268)	(20,643)	(51,215)	(71,483)
Net Cash Provided by/(Used for) Operating Activities	(174,273)	25,028	(375)	(548,913)	(549,288)	(149,620)	(698,533)
Cash Flows from Investing Activities:							
Interest Income				468	468		468
Net Cash Provided by Investing Activities				468	468		468
Cash Flows from Noncapital and Related Financing Activities:							
Federal Subsidy Reimbursements Collected in Food Service Fund				494,658	494,658		494,658
State Subsidy Reimbursements				12,779	12,779		12,779
Cash Received - Interfund Payable - General Fund	174,273					174,273	174,273
Cash Disbursed - Interfund Receivable - General Fund				(39,697)	(39,697)		(39,697)
Net Cash Provided by Noncapital and Related Financing Activities				467,740	467,740	174,273	642,013
Cash Flows from Capital and Related Financing Activities:							
Purchase of Capital Assets				(6,760)	(6,760)		(6,760)
Net Cash Used for Capital and Related Financing Activities				(6,760)	(6,760)		(6,760)
Net Increase/(Decrease) in Cash and Cash Equivalents	- 0 -	25,028	(375)	(87,465)	(87,840)	24,653	(62,812)
Cash and Cash Equivalents, July 1	- 0 -	358,477	35,152	326,580	361,732	393,629	720,209
Cash and Cash Equivalents, June 30	\$ - 0 -	\$ 383,505	\$ 34,777	\$ 239,115	\$ 273,892	\$ 418,282	\$ 657,397

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds						
	Major Funds			Non-Major Funds			Total Enterprise Funds
	Region I	Region I Summer School	Food Service	Non-Major Funds	Total Region I	Total Enterprise Funds	
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:							
Operating Income/(Loss)	\$ (6,791)	\$ 34,712	\$ (375)	\$ (623,400)	\$ (623,775)	\$ 27,546	\$ (595,854)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:							
Depreciation				27,520	27,520		27,520
Federal Food Distribution Program				19,698	19,698		19,698
Changes in Assets and Liabilities:							
(Increase)/Decrease in:							
Deferred Inflows and Outflows Related to Pensions Interfund Receivable		36,691				36,691	36,691
Other Accounts Receivable				6,239	6,239		6,239
Receivable from Other Governmental Units	(163,931)	(5,138)		(16,063)	(16,063)	(169,069)	(169,069)
Inventory						(46,833)	(46,833)
Net Pension Liability		(46,833)				2,045	37,820
Accounts Payable	(3,551)	5,596		(255)	(255)		(255)
Unearned Revenue - Commodities				1,573	1,573		1,573
Unearned Revenue - Prepaid Balances							
Net Cash Provided by/(Used for) Operating Activities	\$ (174,273)	\$ 25,028	\$ (375)	\$ (548,913)	\$ (549,288)	\$ (149,620)	\$ (698,533)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received commodities from the Federal Food Distribution Program valued at \$19,443 and utilized commodities from the Federal Food Distribution Program valued at \$19,698 for the fiscal year ended June 30, 2021.

**FIDUCIARY ACTIVITIES
(NOT APPLICABLE)**

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance July 1, 2020	Issued	Retired/Matured	Defeased Debt	Balance June 30, 2021
			Date	Outstanding June 30, 2021 Amount	Balance						
School Refunding Bonds	12/02/09	\$ 7,950,000				\$ 2,040,000		\$ 780,000	\$ 1,260,000		
School Refunding Bonds	10/05/11	5,550,000	08/15/21	\$ 600,000	4.00%						
			08/15/22	605,000	5.00%						
			08/15/23	545,000	5.00%	2,350,000		600,000		\$ 1,750,000	
School Refunding Bonds	07/15/20	1,317,000	09/15/21	795,000	1.067%						
			09/15/22	470,000	1.067%		\$ 1,317,000	52,000		1,265,000	
						\$ 4,390,000	\$ 1,317,000	\$ 1,432,000	\$ 1,260,000	\$ 3,015,000	

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOT APPLICABLE

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,556,000		\$ 1,556,000	\$ 1,556,000	
Total Revenues	1,556,000		1,556,000	1,556,000	
EXPENDITURES:					
Regular Debt Service:					
Interest	176,000	\$ (52,000)	124,000	122,091	\$ 1,909
Redemption of Principal	1,380,000	52,000	1,432,000	1,432,000	
Total Regular Debt Service	1,556,000		1,556,000	1,554,091	1,909
Total Expenditures	1,556,000		1,556,000	1,554,091	1,909
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-0-	-0-	-0-	1,909	1,909
Other Financing Sources/(Uses):					
Unexpended Balance of School Refunding Bonds Issuance Costs				1,785	1,785
Proceeds of School Refunding Bonds Issued				1,317,000	1,317,000
School Bonds Defeased				(1,260,000)	(1,260,000)
Bond Issuance Costs				(25,500)	(25,500)
Deferred Amount on Refunding				(31,500)	(31,500)
Total Other Financing Sources/(Uses)				1,785	1,785
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-0-	-0-	-0-	3,694	3,694
Fund Balance, July 1	-0-		-0-	-0-	
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ 3,694	\$ 3,694

Recapitulation of Fund Balance at June 30, 2021:

Restricted	<u>\$ 3,694</u>
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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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 28,532,878
Special Education	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	9,203,347
Other Special Instruction	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	1,969,307
Other Instruction	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	1,862,887
Support Services:										
Tuition	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	5,155,898
Student & Instruction Related Services	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	14,444,592
General Administrative Services	1,548,465	1,638,465	1,439,456	1,720,600	1,927,941	1,009,474	953,025	915,175	827,184	1,173,288
School Administrative Services	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	4,151,389
Central Services	849,296	838,088	967,967	799,771	764,078	1,230,828	1,318,961	1,300,621	1,339,881	1,470,159
Administrative Information Technology	959,511	866,024	1,014,923	874,769	836,111	1,432,968	1,208,834	1,155,823	1,232,681	1,197,574
Plant Operations and Maintenance	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	7,243,658
Pupil Transportation	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	4,074,833
Charter Schools	23,370	51,863								
Interest on Long-term Debt	788,180	737,273	658,940	583,489	506,456	413,289	314,064	257,711	200,323	96,850
Unallocated Depreciation						357,063	371,141	523,495	536,195	581,268
Total Governmental Activities Expenses	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	81,157,928
Business-Type Activities:										
Food Service	988,396	1,033,906	992,627	1,014,778	983,105	998,918	1,041,801	1,110,326	862,192	628,947
Region I Transportation						10,904,780	11,485,575	12,200,760	12,020,071	10,249,134
Region I Administration						391,031	360,853	462,092	434,044	368,878
Region I Summer School						145,766	126,473	130,962	100,741	375
Total Business-Type Activities Expenses	988,396	1,033,906	992,627	1,014,778	983,105	12,440,495	13,014,702	13,904,140	13,417,048	11,247,334
Total District-Wide Expenses	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	92,405,262
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Student & Instruction Related Services						22,362,904	23,796,580	19,258,386	17,020,657	\$ 379,342
Operating Grants and Contributions	7,546,552	8,649,222	7,911,541	7,529,294	7,817,464	(400,795)	(30)			20,964,399
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	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	21,343,741

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 856,376	\$ 814,373	\$ 822,951	\$ 818,289	\$ 803,214	\$ 816,221	\$ 847,654	\$ 930,170	\$ 636,214	\$ 5,547
Region I Transportation						10,783,657	11,556,620	12,193,458	12,012,030	10,242,343
Region I Administration						398,961	410,630	412,399	388,442	403,590
Region I Summer School						145,837	126,474	120,697	117,332	-
Operating Grants and Contributions	163,738	200,523	195,209	190,304	207,713	208,802	193,615	203,054	148,136	663,415
Total Business-Type Activities Revenues	1,020,114	1,014,896	1,018,160	1,008,593	1,010,927	12,353,478	13,134,993	13,859,778	13,302,154	11,314,895
Total District-Wide Program Revenues	8,566,666	9,664,118	8,929,701	8,537,887	8,828,391	34,315,587	36,931,543	33,118,164	30,322,811	32,658,636
Net (Expense)/Revenue:										
Governmental Activities	(51,777,370)	(53,899,558)	(56,596,231)	(57,180,417)	(56,710,580)	(60,282,465)	(59,001,451)	(60,654,897)	(61,516,413)	(59,814,187)
Business-type Activities	31,718	(19,010)	25,533	(6,185)	27,822	(87,017)	120,291	(44,362)	(114,894)	67,561
Total District-Wide Net (Expense)/Revenue	(51,745,652)	(53,918,568)	(56,570,698)	(57,186,602)	(56,682,758)	(60,369,482)	(58,881,160)	(60,699,259)	(61,631,307)	(59,746,626)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	52,861,361	53,918,588	54,996,960	56,096,899	57,218,837	58,463,214	59,551,594	61,981,537	63,515,128	64,995,945
Taxes Levied for Debt Service	2,721,403	2,682,985	2,603,783	2,607,816	2,561,875	2,514,144	2,398,458	1,628,024	1,594,942	1,556,000
Unrestricted Grants and Contributions	138,799	(246,259)	1,214,071	171,152	153,130	198,014	187,178	102,848	90,561	105,075
Refunding Bond Proceeds, Net	132,000									
Investment Earnings	18,658	23,550	24,501	27,025	33,006	60,580	133,980	222,516	184,093	51,031
Miscellaneous Income	288,590	371,215	300,331	323,407	312,600	282,719	656,671	200,352	287,880	567,669
Adjustment to Capital Assets Transfers	(238,103)	(905,334)	(905,334)	157,512	(77,364)	(42,332)				
Total Governmental Activities General Revenues and Other Changes in Net Position	56,160,811	56,511,976	58,234,312	59,383,791	60,199,484	61,476,339	62,927,881	64,135,277	65,672,604	67,275,720
Business-type Activities:										
Miscellaneous	5	19	5	40	41	69	188	482	2,005	468
Disposal of Capital Assets, Net of Depreciation Transfers							(9,624)	(14,429)		
Total Business-type Activities General Revenues and Other Changes in Net Position	5	19	5	40	2,641	42,401	(9,436)	(13,947)	2,005	468
Total District-Wide General Revenues and Other Changes in Net Position	56,160,816	56,511,995	58,234,317	59,383,831	60,202,125	61,518,740	62,918,445	64,121,330	65,674,609	67,276,188
Change in Net Position:										
Governmental Activities	4,383,441	2,612,418	1,638,081	2,203,374	3,488,904	1,193,874	3,926,430	3,480,380	4,156,191	7,461,533
Business-Type Activities	31,723	(18,991)	25,538	(6,145)	30,463	(44,616)	110,855	(58,309)	(112,889)	68,029
Total District-Wide Change in Net Position	\$ 4,415,164	\$ 2,593,427	\$ 1,663,619	\$ 2,197,229	\$ 3,519,367	\$ 1,149,258	\$ 4,037,285	\$ 3,422,071	\$ 4,043,302	\$ 7,529,562

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,				
	2012	2013	2014	2015	2016
General Fund:					
Restricted	\$ 8,230,997	\$ 11,005,171	\$ 10,729,477	\$ 10,030,982	\$ 11,758,284
Assigned	2,423,474	2,214,537	1,693,206	1,739,430	3,303,770
Unassigned	1,195,228	1,227,583	1,409,922	1,399,188	1,295,670
Total General Fund	<u>\$ 11,849,699</u>	<u>\$ 14,447,291</u>	<u>\$ 13,832,605</u>	<u>\$ 13,169,600</u>	<u>\$ 16,357,724</u>
All Other Governmental Funds:					
Restricted/(Deficit)	\$ 263,550	\$ (49,647)	\$ 1,037,328	\$ 1,030,795	\$ 1,015,458
Assigned				254,543	
Total All Other Governmental Funds	<u>\$ 263,550</u>	<u>\$ (49,647)</u>	<u>\$ 1,037,328</u>	<u>\$ 1,285,338</u>	<u>\$ 1,015,458</u>
Total Governmental Funds	<u>\$ 12,113,249</u>	<u>\$ 14,397,644</u>	<u>\$ 14,869,933</u>	<u>\$ 14,454,938</u>	<u>\$ 17,373,182</u>

	June 30,				
	2017	2018	2019	2020 (Restated)	2021
General Fund:					
Restricted	\$ 13,838,079	\$ 11,001,536	\$ 11,294,771	\$ 13,303,620	\$ 15,077,176
Assigned	2,112,932	5,972,900	2,770,401	2,602,245	2,367,768
Unassigned	1,408,419	1,508,249	1,903,627	1,707,065	3,273,949
Total General Fund	<u>\$ 17,359,430</u>	<u>\$ 18,482,685</u>	<u>\$ 15,968,799</u>	<u>\$ 17,612,930</u>	<u>\$ 20,718,893</u>
All Other Governmental Funds:					
Restricted/(Deficit)	\$ 763	\$ 2,153	\$ 1,708	\$ 1,351,581	3,061,127
Committed	613,102				
Total All Other Governmental Funds	<u>\$ 613,865</u>	<u>\$ 2,153</u>	<u>\$ 1,708</u>	<u>\$ 1,351,581</u>	<u>\$ 3,061,127</u>
Total Governmental Funds	<u>\$ 17,973,295</u>	<u>\$ 18,484,838</u>	<u>\$ 15,970,507</u>	<u>\$ 18,964,511</u>	<u>\$ 23,780,020</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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Tax Levy	\$ 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	\$ 66,551,945
Interest Earnings	18,658	23,550	24,501	27,025	33,006	60,135	133,980	222,516	184,093	51,031
Miscellaneous	267,363	371,215	300,332	323,407	312,600	283,164	656,671	200,352	287,880	565,884
Local Sources	21,227	77,578	77,578	68,525	72,598	59,606	162,473	82,566	89,230	2,052,720
State Sources	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	15,340,653
Federal Sources	1,541,907	1,027,792	897,500	1,043,940	1,041,441	1,005,075	910,519	981,616	959,886	1,369,664
Total Revenues	63,575,363	65,399,301	67,051,187	66,755,573	68,096,912	71,643,438	74,271,504	77,311,861	79,575,523	85,931,897
Expenditures:										
Instruction:										
Regular Instruction	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	18,207,192
Special Education Instruction	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	5,673,489
Other Special Instruction	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	1,192,915
Other Instruction	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	1,217,838
Support Services:										
Tuition	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	5,155,898
Student & Instruction Related Services	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	10,145,084
General Administrative Services	744,771	698,958	749,061	823,890	639,864	656,200	672,130	644,677	608,106	913,127
School Administrative Services	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	2,530,839
Central Services	849,296	838,088	967,967	799,771	764,078	823,658	817,389	810,585	888,311	965,324
Administrative Information Technology	959,511	866,024	1,014,923	874,769	836,111	1,085,866	744,964	852,662	972,184	926,001
Plant Operations and Maintenance	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	6,665,434
Pupil Transportation	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	3,770,378
Unallocated Benefits	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	20,780,953
Charter Schools	23,370	51,863								
Capital Outlay	716,010	304,573	1,901,469	2,082,613	936,353	844,002	1,417,545	4,718,233	2,717,417	1,419,610
Debt Service:										
Principal	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	1,432,000
Interest and Other Charges	827,703	767,985	690,060	613,355	537,137	455,387	366,775	293,469	236,650	122,091
Total Expenditures	60,465,377	63,114,906	66,578,898	67,170,568	65,176,068	71,000,993	73,759,961	79,826,192	78,616,489	81,118,173

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 3,109,986	\$ 2,284,395	\$ 472,289	\$ (414,995)	\$ 2,920,844	\$ 642,445	\$ 511,543	\$ (2,514,331)	\$ 959,034	\$ 4,813,724
Other Financing Sources (Uses):										
Unexpended Balance of School Refunding Bonds Issuance Costs										1,785
School Refunding Bonds Issued										1,317,000
School Bonds Defeased										(1,260,000)
Bond Issuance Costs										(25,500)
Deferred Amount on Refunding Transfers In	300,231	540	375,144	1,556,028	317	445	614,779			(31,500)
Transfers Out	(300,231)	(540)	(375,144)	(1,556,028)	(2,917)	(42,777)	(614,779)			
Total Other Financing Sources (Uses)					(2,600)	(42,332)				1,785
Net Change in Fund Balances	\$ 3,109,986	\$ 2,284,395	\$ 472,289	\$ (414,995)	\$ 2,918,244	\$ 600,113	\$ 511,543	\$ (2,514,331)	\$ 959,034	\$ 4,815,509

Debt Service as a Percentage of Noncapital Expenditures

	4.52%	4.27%	4.08%	4.01%	3.98%	3.58%	3.32%	2.18%	2.10%	1.96%
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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
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
2021	51,031	92,600	35,010	438,274	616,915

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 ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
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
2020	83,270,100	4,447,865,900	16,597,740	811,192,900	373,091,400	49,592,700	5,781,610,740	- 0 -	5,781,610,740	1.1390	6,372,554,680

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 ^a	General Obligation Debt Service ^b	Total Direct	Township of Mahwah	Bergen County	
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
2020	1.1117	0.0273	1.139	0.491	0.274	1.904

* - 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.

Source: Municipal Tax Collector and School Business Administrator.

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

<u>Taxpayer</u>	<u>2021</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>Taxpayer</u>	<u>2012</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
MacArthur Boulevard, LLC	\$ 100,000,000	1	1.75%
Vista Distribution Center, Inc.	85,000,000	2	1.49%
Sharp Electronics	67,000,000	3	1.18%
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>8.25%</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 ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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-
2021	66,551,945	66,551,945	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.

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 ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Anticipation Notes (BANs)	School Facilities Loans	Capital Leases	Total District	Personal Income ^a				
2012	\$ 19,062,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 19,062,000	1.06%	\$ 732		
2013	17,147,000	-0-	-0-	-0-	-0-	-0-	-0-	17,147,000	0.91%	656		
2014	15,197,000	-0-	-0-	-0-	-0-	-0-	-0-	15,197,000	0.81%	580		
2015	13,202,000	-0-	-0-	-0-	-0-	-0-	-0-	13,202,000	0.68%	503		
2016	11,177,000	-0-	-0-	-0-	-0-	-0-	-0-	11,177,000	0.55%	425		
2017	9,117,000	-0-	-0-	-0-	-0-	-0-	-0-	9,117,000	0.44%	347		
2018	7,085,000	-0-	-0-	-0-	-0-	-0-	-0-	7,085,000	0.33%	269		
2019	5,750,000	-0-	-0-	-0-	-0-	-0-	-0-	5,750,000	0.25%	219		
2020	4,390,000	-0-	-0-	-0-	-0-	-0-	-0-	4,390,000	0.19%	168		
2021	3,015,000	-0-	-0-	-0-	-0-	-0-	-0-	3,015,000	0.13%	116		

^a - 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 ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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
2021	3,015,000	-0-	3,015,000	0.052%	116

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.

Source: Mahwah Township District Financial Reports.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Mahwah Township	\$ 32,792,541	100.00%	\$ 32,792,541
Bergen County General Obligation Debt	954,754,121	3.46%	<u>33,068,069</u>
Subtotal, Overlapping Debt			65,860,610
Mahwah Township School District Direct Debt			<u>3,015,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 68,875,610</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 2021

Year Ended December 31,	Equalized Valuation Basis
2018	\$ 6,044,918,922
2019	6,344,964,423
2020	6,431,157,664
	<u>\$ 18,821,041,009</u>
Average Equalized Valuation of Taxable Property	<u>\$ 6,273,680,336</u>
Debt Limit (4% of Average Equalization Value) ^a	\$ 250,947,213
Net Bonded School Debt	<u>3,015,000</u>
Legal Debt Margin	<u>\$ 247,932,213</u>

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt Limit	\$ 266,469,440	\$ 258,653,452	\$ 247,028,578	\$ 240,588,360	\$ 236,223,123
Total Net Debt Applicable to Limit	<u>19,062,000</u>	<u>17,147,000</u>	<u>15,197,000</u>	<u>13,202,000</u>	<u>11,177,000</u>
Legal Debt Margin	<u>\$ 247,407,440</u>	<u>\$ 241,506,452</u>	<u>\$ 231,831,578</u>	<u>\$ 227,386,360</u>	<u>\$ 225,046,123</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.15%	6.63%	6.15%	5.49%	4.73%

	Fiscal Year				
	2017	2018	2019	2020	2021
Debt Limit	\$ 237,872,690	\$ 239,477,464	\$ 241,588,749	\$ 246,088,778	\$ 250,947,213
Total Net Debt Applicable to Limit	<u>9,117,000</u>	<u>7,085,000</u>	<u>5,750,000</u>	<u>4,390,000</u>	<u>3,015,000</u>
Legal Debt Margin	<u>\$ 228,755,690</u>	<u>\$ 232,392,464</u>	<u>\$ 235,838,749</u>	<u>\$ 241,698,778</u>	<u>\$ 247,932,213</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.83%	2.96%	2.38%	1.78%	1.20%

a - 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 ^a	Bergen County Per Capita Personal Income ^b	Personal Income ^c	Township Unemployment Rate ^d
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	89,456	2,343,747,200	2.7%
2020	26,078	89,456 *	2,332,833,568 *	7.9%
2021	26,078 *	89,456 *	2,332,833,568 *	N/A

* - Latest Bergen County per capita personal income (2019) and population data (2020) 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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction:					
Regular	210	211	216	222	216
Special Education/Other Special Instruction	60	71	81	78	84
Other Instruction	14	13	15	17	10
Support Services:					
Student & Instruction Related Services	84	97	101	93	98
School Administrative Services	27	27	29	26	26
General Administrative Services	3	2	2	2	3
Central Services	7	7	8	8	8
Administration Information Technology	4	4	4	4	4
Plant Operations and Maintenance	9	9	9	9	9
Pupil Transportation	7	6	4	8	8
Total	<u>425</u>	<u>447</u>	<u>469</u>	<u>467</u>	<u>466</u>
<u>Function/Program</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction:					
Regular	216	218	214	217	214
Special Education/Other Special Instruction	84	86	91	91	88
Other Instruction	8	5	2	1	1
Support Services:					
Student & Instruction Related Services	102	115	126	132	125
School Administrative Services	25	26	23	23	24
General Administrative Services	3	3	3	3	2
Central Services	9	9	9	9	9
Administration Information Technology	5	5	5	5	5
Plant Operations and Maintenance	8	9	9	9	9
Pupil Transportation	6	5	5	5	5
Total	<u>466</u>	<u>481</u>	<u>487</u>	<u>495</u>	<u>482</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											
	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff ^d	Elementary School	Middle School	High School	Average Daily Enrollment (ADE) ^e	Average Daily Attendance (ADA) ^e	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2021	2,782	78,144,472	28,089	8.04%	308	15.1:1	15.4:1	11.7:1	2,737	2,666	-3.69%	97.41%

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u>										
<u>Elementary Schools:</u>										
Betsy Ross School										
Square Feet	33,526	33,526	33,526	33,526	33,526	27,096	27,096	27,096	27,096	27,096
Capacity (students)	275	275	275	275	275	216	216	216	216	216
Enrollment	236	233	237	234	222	217	199	230	244	247
George Washington School										
Square Feet	34,365	34,365	34,365	34,365	34,365	30,867	30,867	30,867	30,867	30,867
Capacity (students)	241	241	241	241	241	241	241	241	241	241
Enrollment	210	178	193	193	201	202	193	189	203	192
Lenape Meadows School										
Square Feet	82,000	82,000	82,000	82,000	82,000	76,597	76,597	76,597	76,597	76,597
Capacity (students)	578	578	578	578	578	578	578	578	578	578
Enrollment	483	469	473	486	461	425	431	384	384	305
Joyce Kilmer School										
Square Feet	82,220	82,220	82,220	82,220	82,220	71,555	71,555	71,555	71,555	71,555
Capacity (students)	558	558	558	558	558	564	564	564	564	564
Enrollment	527	527	473	444	438	447	452	435	399	409
<u>Middle School:</u>										
Ramapo Ridge Middle School										
Square Feet	100,037	100,037	100,037	100,037	100,037	112,040	112,040	112,040	112,040	112,040
Capacity (students)	826	826	826	826	826	820	820	820	820	820
Enrollment	798	798	773	752	753	702	696	678	714	679
<u>High School:</u>										
Mahwah High School										
Square Feet	187,844	187,844	187,844	187,844	187,844	164,791	173,763	173,763	181,065	181,065
Capacity (students)	1,093	1,093	1,093	1,093	1,093	1,143	1,143	1,143	1,192	1,192
Enrollment	1,048	1,017	1,028	970	911	929	901	916	914	902

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

<u>District Building</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Athletic Building Square Feet	13,000	13,000	13,000	13,000	13,000	9,660	9,660	9,660	9,660	9,660
Central Administration Square Feet	9,000	9,000	9,000	9,000	9,000	7,181	7,181	7,181	7,181	7,181
Maintenance Garage Square Feet	4,200	4,200	4,200	4,200	4,200	4,584	4,584	4,584	4,584	4,584

Number of Schools at June 30, 2021

- Elementary School = 4
- Middle School = 1
- High School = 1
- Other = 3

Enrollment is the June 2021 enrollment.

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				
		2012	2013	2014	2015	2016
Mahwah High School	N/A	\$ 731,338	\$ 1,063,843	\$ 862,880	\$ 618,465	\$ 339,673
Betsy Ross	N/A	183,389	362,955	142,309	65,139	81,194
Joyce Kilmer	N/A	279,942	214,008	285,589	396,551	130,277
Ramapo Ridge	N/A	212,155	402,290	701,730	441,479	217,011
George Washington	N/A	111,994	98,488	108,521	97,937	68,091
Lenape Meadows	N/A	110,149	114,521	210,679	157,998	227,614
Total School Facilities		<u>1,628,967</u>	<u>2,256,105</u>	<u>2,311,708</u>	<u>1,777,569</u>	<u>1,063,860</u>
Grand Total		<u>\$ 1,628,967</u>	<u>\$ 2,256,105</u>	<u>\$ 2,311,708</u>	<u>\$ 1,777,569</u>	<u>\$ 1,063,860</u>

<u>School Facilities*</u>	Project # (s)	Project				
		2017	2018	2019	2020	2021
Mahwah High School	N/A	\$ 603,471	\$ 609,911	\$ 666,297	\$ 727,060	\$ 962,992
Betsy Ross	N/A	67,674	117,396	116,996	89,587	227,041
Joyce Kilmer	N/A	149,747	216,746	133,752	198,339	173,470
Ramapo Ridge	N/A	215,894	396,647	269,018	332,911	415,573
George Washington	N/A	123,793	80,470	98,500	90,746	84,339
Lenape Meadows	N/A	177,241	164,613	263,398	221,800	158,404
Total School Facilities		<u>1,337,820</u>	<u>1,585,783</u>	<u>1,547,961</u>	<u>1,660,443</u>	<u>2,021,819</u>
Grand Total		<u>\$ 1,337,820</u>	<u>\$ 1,585,783</u>	<u>\$ 1,547,961</u>	<u>\$ 1,660,443</u>	<u>\$ 2,021,819</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, 2021
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, 2021, 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 8, 2021.

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 8, 2021
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

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, 2021. 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, 2021.

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 8, 2021

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

Heidi A. Wohlleb
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Certified Public Accountant

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2020		Cash Received	Budgetary Expenditures	Balance at June 30, 2021		Amount Provided to Subrecipients
			From	To		Unearned Revenue/ (Accounts Receivable)	Due to Grantor			Unearned Revenue	Due to Grantor	
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-2900-21	7/1/20	9/30/21	\$ 664,616		\$ 664,616	\$ (664,616)				
I.D.E.A. - Part B, Preschool	84.173	IDEA-2900-21	7/1/20	9/30/21	32,916		32,916	(32,916)				
Subtotal Special Education Cluster							697,532	(697,532)				
Elementary and Secondary Education Act:												
Title I	84.010	ESEA-2900-21	7/1/20	9/30/21	232,131		197,861	(184,584)		\$ 13,277		
Title I	84.010	ESEA-2900-20	7/1/19	9/30/20	201,927		23,685					
Subtotal Title I							221,546	(184,584)		13,277		
Title II A	84.367A	ESEA-2900-21	7/1/20	9/30/21	48,101		31,950	(31,950)				
Title II A	84.367A	ESEA-2900-20	7/1/19	9/30/20	51,244		3,705					
Subtotal Title II A							35,655	(31,950)				
Title III - Immigrant	84.365A	ESEA-2900-21	7/1/20	9/30/21	10,428		2,471	(8,471)	\$ (6,000)			
Title III - Immigrant	84.365A	ESEA-2900-20	7/1/19	9/30/20	4,769		769					
Subtotal Title III - Immigrant							3,240	(8,471)	(6,000)			
Title IV	84.424A	ESEA-2900-21	7/1/20	9/30/21	14,811		10	(14,811)	(14,801)			
Title IV	84.424A	ESEA-2900-20	7/1/19	9/30/20	25,329		15,559					
Subtotal Title IV							15,569	(14,811)	(14,801)			
Education Stabilization Fund:												
COVID-19 Digital Divide Grant	84.425D	N/A	7/16/20	10/31/20	60,113		60,113	(60,113)				
COVID-19 CARES Emergency Relief	84.425D	CARES290020	3/1/20	9/30/22	171,122		159,080	(170,899)	(11,819)			
Passed-through County of Bergen:												
Special Revenue Fund:												
Education Stabilization Fund:												
COVID-19 CARES Emergency Relief	84.425D	CARES290020	7/1/20	12/30/20	48,344		48,344	(48,344)				
Total Education Stabilization Fund							267,537	(279,356)	(11,819)			
Total U.S. Department of Education							1,241,079	(1,216,704)	(32,620)	13,277		
U.S. Department of Treasury:												
Passed-through State Department of Education:												
Special Revenue Fund:												
COVID-19 Coronavirus Relief Fund	21.019	N/A	3/1/20	12/31/20	106,651		106,651	(106,651)				
Total U.S. Department of Treasury							106,651	(106,651)				
Total Special Revenue Fund							1,347,730	(1,323,355)	(32,620)	13,277		
N/A - Not Available/Applicable												

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2020		Balance at June 30, 2021		Amount Provided to Subrecipients
			From	To		Unearned/ Revenue/ (Accounts Receivable)	Due to Grantor	Unearned Revenue	Due to Grantor	
U.S. Department of Health and Human Services - Passed-through State Department of Human Services:										
Medicaid Cluster										
Medical Assistance Program (SEMI)	93.778	N/A	7/1/20	6/30/21	\$ 46,309	\$	46,309	\$ (46,309)		
Total General Fund/Medicaid Cluster							46,309	(46,309)		
Total U.S. Department of Health and Human Services										
U.S. Department of Agriculture - Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
National School Lunch Program:										
COVID 19 - Seamless Summer Option	10.555	N/A	7/1/20	6/30/21	435,532		349,258	(435,532)	\$ (86,274)	
COVID 19 - Seamless Summer Option	10.555	N/A	7/1/19	6/30/20	8,042	\$	4,782	(435,532)	(86,274)	
Subtotal National School Lunch Program							354,040	(862,764)		
School Breakfast Program:										
COVID 19 - Seamless Summer Option	10.553	N/A	7/1/20	6/30/21	186,842		169,299	(186,842)	(17,543)	
Federal Food Distribution Program	10.555	N/A	7/1/20	6/30/21	19,443		19,443	(12,011)	7,432	
Federal Food Distribution Program	10.555	N/A	7/1/19	6/30/20	34,289		7,687	(7,687)		
Subtotal Federal Food Distribution Program							19,443	(19,698)	7,432	
Subtotal Child Nutrition Cluster							542,782	(642,072)	(103,817)	
Total U.S. Department of Agriculture							542,782	(642,072)	(103,817)	
TOTAL FEDERAL AWARDS							\$ -0-	\$ (2,011,736)	\$ (136,437)	\$ -0-
							\$ 1,936,821	\$ 20,709	\$ -0-	\$ -0-

N/A - Not Available/Applicable

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2020		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2021		MEMO	
				Budgetary Unearned Revenue/ (Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund:												
Special Education Categorical Aid	21-495-034-5120-089	7/1/20 6/30/21	\$ 2,276,066	\$ (157,923)	\$ 2,097,074	\$ (2,276,066)			\$ 178,992	\$ 2,276,066		
Special Education Categorical Aid	20-495-034-5120-089	7/1/19 6/30/20	2,181,669		1,579,233							
Categorical Security Aid	21-495-034-5120-084	7/1/20 6/30/21	59,339	(4,295)	54,471	(59,339)			4,868	59,339		
Categorical Security Aid	20-495-034-5120-084	7/1/19 6/30/20	59,339		4,295							
Transportation Aid	21-495-034-5120-014	7/1/20 6/30/21	636,428	(46,069)	584,213	(636,428)			52,215	636,428		
Transportation Aid	20-495-034-5120-014	7/1/19 6/30/20	636,428		46,069							
Extraordinary Special Education Costs Aid	21-495-034-5120-044	7/1/20 6/30/21	1,030,013	(813,842)	813,842	(1,030,013)			1,030,013	1,030,013		
Extraordinary Special Education Costs Aid	20-495-034-5120-044	7/1/19 6/30/20	813,842									
Nonpublic School Transportation Costs	21-495-034-5120-014	7/1/20 6/30/21	42,231	(17,499)	17,499	(42,231)			42,231	42,231		
Nonpublic School Transportation Costs	20-495-034-5120-014	7/1/19 6/30/20	17,499									
On-Behalf TPAF Contributions:												
Post-Retirement Medical Pension	21-495-034-5094-001	7/1/20 6/30/21	2,222,021		2,222,021	(2,222,021)				2,222,021		
Post-Retirement Medical Pension	21-495-034-5094-002	7/1/20 6/30/21	6,958,016		6,958,016	(6,958,016)				6,958,016		
Non-Contributory Insurance	21-495-034-5094-004	7/1/20 6/30/21	132,385		132,385	(132,385)				132,385		
Long-Term Disability Insurance	21-495-034-5094-004	7/1/20 6/30/21	3,517		3,517	(3,517)				3,517		
Reimbursed TPAF Contributions:												
Social Security Aid	21-495-034-5094-003	7/1/20 6/30/21	1,992,596	(95,490)	1,893,668	(1,992,596)			98,928	1,992,596		
Social Security Aid	20-495-034-5094-003	7/1/19 6/30/20	1,914,561		95,490							
Total General Fund State Aid				(1,135,118)	15,080,483	(15,352,612)			(1,171,172)	1,407,247	15,352,612	
Special Revenue Fund:												
NJ Nonpublic Aid:												
Textbook Aid (Chapter 194)	21-100-034-5120-064	7/1/20 6/30/21	2,261		2,261	(2,176)			\$ 85	2,176		
Textbook Aid (Chapter 194)	20-100-034-5120-064	7/1/19 6/30/20	1,845									
Nursing Services (Chapter 226)	21-100-034-5120-070	7/1/20 6/30/21	4,182		4,182	(4,177)			5	4,177		
Nursing Services (Chapter 226)	20-100-034-5120-070	7/1/19 6/30/20	3,880		595				(595)			
Handicapped Services (Chapter 193):												
Supplementary Instruction	21-100-034-5120-066	7/1/20 6/30/21	1,619	(308)	1,619	(486)			1,133	486		
Supplementary Instruction	20-100-034-5120-066	7/1/19 6/30/20	2,428		308				(1,457)			
Examination and Classification	21-100-034-5120-066	7/1/20 6/30/21	4,088	(424)	4,088	(372)			3,716	372		
Examination and Classification	20-100-034-5120-066	7/1/19 6/30/20	3,344		424				(1,299)			
Corrective Speech	21-100-034-5120-066	7/1/20 6/30/21	4,557	(1,273)	4,557	(1,458)			3,099	1,458		
Corrective Speech	20-100-034-5120-066	7/1/19 6/30/20	10,026		1,273				(4,558)			
Security Aid	21-100-034-5120-509	7/1/20 6/30/21	7,175		7,175	(7,160)			15	7,160		
Security Aid	20-100-034-5120-509	7/1/19 6/30/20	6,000		554				(554)			
Security Aid	19-100-034-5120-509	7/1/18 6/30/19	6,900		1,015				(1,015)			
Technology Initiative	20-100-034-5120-373	7/1/19 6/30/20	1,260		170				(170)			
Total Special Revenue Fund				(2,005)	9,770	(15,829)			8,053	15,829		

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2020		Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2021		MEMO	
				Budgetary Unearned Revenue/(Accounts Receivable)	Due to Grantor					GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
Enterprise Fund:													
State School Lunch Program:													
COVID-19 Seamless Summer Option	21-100-010-3350-023	7/1/20 6/30/21	\$ 18,922		\$ 16,435		\$ (18,922)		\$ (2,487)		\$ 2,487		\$ 18,922
COVID-19 Seamless Summer Option	20-100-010-3350-023	7/1/19 6/30/20	127	(75)	75		(2,421)		(2,421)		2,421		2,421
Supplemental	21-100-010-3350-023	7/1/20 6/30/21	2,421	(1,936)	1,936								
Supplemental	20-100-010-3350-023	7/1/19 6/30/20	1,936										
Total Enterprise Fund				(2,011)	18,446		(21,343)		(4,908)		4,908		21,343
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT DETERMINATION				\$ (1,139,134)	\$ 9,770	\$ 15,124,816	\$ (15,389,784)	\$ (9,770)	\$ (1,176,080)	\$ -0-	\$ 1,412,155	\$ 8,053	\$ 15,389,784

Less - State Awards Not Subject to Single Audit Major Program Determination:

On-Behalf TPAF Pension System Contributions:	Grant Period From To	Program or Award Amount	Budgetary Expenditures
Post-Retirement Medical	7/1/20 6/30/21	2,222,021	2,222,021
Pension	7/1/20 6/30/21	6,958,016	6,958,016
Non-Contributory Insurance	7/1/20 6/30/21	132,385	132,385
Long-Term Disability Insurance	7/1/20 6/30/21	3,517	3,517
Subtotal On-Behalf TPAF Pension System Contributions		9,315,939	9,315,939

TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION

\$ (6,073,845)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021. 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, 2021
(Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(27,788) for the general fund and \$10,575 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	\$ 46,309	\$ 15,324,824	\$ 15,371,133
Special Revenue Fund	1,323,355	15,829	1,339,184
Food Service Enterprise Fund	642,072	21,343	663,415
Total Financial Assistance	\$ 2,011,736	\$ 15,361,996	\$ 17,373,732

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, 2021. 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, 2021

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	7/1/20-9/30/21	\$ 664,616	\$ 664,616
Preschool	84.173	7/1/20-9/30/21	32,916	32,916
<u>State:</u>				
Special Education				
Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	2,276,066	2,276,066
Categorical Security Aid	21-495-034-5120-084	7/1/20-6/30/21	59,339	59,339
Extraordinary Special				
Education Costs Aid	21-495-034-5120-044	7/1/20-6/30/21	1,030,013	1,030,013

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2021

Status of Prior Year Findings:

There were no prior year audit findings.