

TOWNSHIP OF MAHWAH

SCHOOL DISTRICT

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

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

**Annual Comprehensive
Financial Report**

of the

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

Mahwah, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

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

Finance Department

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**INTRODUCTORY SECTION
(UNAUDITED)**



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

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 21, 2022

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

Dear Board Members:

The annual comprehensive financial report of the Mahwah Township School District for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate 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, 2022, 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 annual comprehensive 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 57 students in 2021-2022.

The District completed the 2021-2022 fiscal year with an enrollment of 2,733 students, which is 4 less students than the previous year's enrollment. In addition, 70 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

Fiscal Year	Student Enrollment	Percent Change
2021-2022	2,733	(.001)%
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%

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. While many of the immediate impacts such as social distancing, remote learning, and contract tracing are no longer necessary, other factors that may be linked to the pandemic remain and continue to make operations more difficult. These include the current inflationary environment that has led to increases prices, supply chain issues that have caused operational delays, staffing inconsistency for support positions such as paraprofessionals, custodians, and cafeteria staff, and lastly an influx in the retirement of staff that in turn, has put a strain on availability of qualified staff for the classroom. The District will be continuing to monitor the impact this will have on our District with diligence in the coming year.

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 on 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 whenever possible. This includes 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 maintenance projects that were either completed or initiated during the 2021/2022 include roofing rehabilitation at Mahwah High School, HVAC replacement for a wing in Joyce Kilmer Elementary School, new fire alarm controls at Betsy Ross, George Washington, Lenape Meadows and Joyce Kilmer Elementary, classroom flooring replacements at Mahwah High School and Ramapo Ridge Elementary School, and award of a grandstand replacement project for Mahwah High School.

The 2021/2022 year also saw further implementation and work on the District's 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.

Summer offerings were enhanced beginning in Summer 2021 to include multiple opportunities to engage with students after the school year is completed. Legacy programs such as a Title I funded summer program, an in-house ESY program for Special Education students, Safety Town, and Summer Music continued while new programs were added with assistance from Federally funded resources to address learning loss from the COVID-19 pandemic. These new programs include Summer Solvers to address specific needs in ELA and Mathematics, Camp Invention, a Summer STEAM program, and Kindergarten Kickstart to assist our youngest and newest learners become set for success in September.

4) DISTRICT INFORMATION:

A. Graduation Statistics

94.5% of the Class of 2022 is pursuing higher education.

Post Graduation Plans

College Data

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

<u>State</u>	<u>Attending</u>	<u>State</u>	<u>Attending</u>
NJ	73	CA	3
NY	29	WI	2
PA	23	WV	2
CT	16	DE	2
MA	9	CO	2
SC	8	AZ	2
RI	6	OH	2
FL	5	AL	2
IN	5	IL	1
TN	4	VT	1
GA	3	MS	1
VA	3	NV	1
DC	3	NH	1
MD	3	ME	1
NC	3	TX	1
MI	3		

	2022	2021	2020
Total Graduates	238	237	234
Post-Secondary	94.5% (219)	95.4% (226)	94.9% (222)
4 - Yr. Colleges	83.6% (199)	84.4% (200)	85.9% (201)
2 -Yr. Colleges	8.4% (20)	11.0% (26)	9.0% (21)
Other	8.0% (19)	4.6% (11)	5.1% (12)

The Honorable President and
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Advanced Placement Testing

242 Students took 518 exams in
24 academic subjects in May 2022
83% of the students scored 3 or better

AP Course	Average Score
Art History	2.5
Biology	3.6
Calculus AB	4.0
Calculus BC	4.6
Chemistry	2.8
Chinese	5.0
Computer Science A	3.9
Computer Science Principles	2.9
English Language	4.0
English Literature	4.2
European History	3.3
French Language	2.8
Macroeconomics	3.0
Microeconomics	3.2
Music Theory	3.8
Physics C – E & M	3.2
Physics C- Mechanics	3.5
Psychology	3.6
Spanish	4.0
Statistics	3.4
Studio Art-2D	3.9
Studio Art-3D	3.0
US Govt. & Politics	3.7
US History	3.5

Class of 2022 – College Matriculation

College/University	Attending		College/University	Attending
Bergen Community College	19		Clemson University	1
Rutgers University-New Brunswick	19		Dickinson College	1
Ramapo College of New Jersey	16		Emerson College	1
Pennsylvania State University	6		Florida State University	1
Seton Hall University	5		Ithaca College	1
Sacred Heart University	4		Keystone College	1
University of Connecticut	4		King's College	1
Fairfield University	3		Kutztown University	1
High Point University	3		La Salle University	1
Lincoln Tech	3		Lynn University	1
Pennsylvania College of Technology	3		Manhattanville College	1
Rensselaer Polytechnic Institute	3		Maryland Institute College of Art	1
Stevens Institute of Technology	3		Marymount Manhattan College	1
Stockton University	3		Michigan State University	1
The College of New Jersey	3		Montclair State University	1
The University of Tennessee-Knoxville	3		Moravian University	1
University of Rhode Island	3		Morgan State University	1
University of South Carolina-Columbia	3		Mount Saint Mary College	1
Binghamton University	2		Muhlenberg College	1
Bryant University	2		Pasco-Hernando State College	1
Coastal Carolina University	2		Princeton University	1
College of Charleston	2		Providence College	1
Cornell University	2		Rowan University	1
Eastwick	2		Springfield College	1
Fordham University	2		St Bonaventure University	1
George Washington University	2		Temple University	1
Indiana University-Bloomington	2		The Catholic University of America	1

James Madison University	2		The Culinary Institute of America	1
Lafayette College	2		The New School	1
Marist College	2		Universal Technical Institute	1
New Jersey Institute of Technology	2		University of Arizona	1
New York University	2		University of California-Davis	1
Northeastern University	2		University of California-Santa Barbara	1
Pace University, New York City Campus	2		University of Cincinnati-Main Campus	1
Purdue University-Main Campus	2		University of Florida	1
Quinnipiac University	2		University of Georgia	1
Savannah College of Art & Design - SCAD	2		University of Hartford	1
Siena College	2		University of Illinois at Urbana-Champaign	1
St. John's University-New York	2		University of Maine	1
Syracuse University	2		University of Maryland-College Park	1
The University of Alabama	2		University of Massachusetts-Amherst	1
University of Colorado Boulder	2		University of Miami	1
University of Delaware	2		University of Mississippi	1
University of Michigan-Ann Arbor	2		University of Nevada-Las Vegas	1
University of New Haven	2		University of New Hampshire	1
University of Wisconsin-Madison	2		University of Notre Dame	1
West Virginia University	2		University of Pittsburgh	1
Air Force	1		University of Scranton	1
Arizona State University	1		University of Virginia	1
Army	1		Villanova University	1
Belmont University	1		Wagner College	1
Boston University	1		William Paterson University	1
Bryant University	1		Worcester Polytechnic Institute	1
Castleton University	1		York College of Pennsylvania	1

B. Capital Reserve Analysis

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

The following table traces the history of the capital reserve account resulting with the June 30, 2022 ending balance of \$8,637,603.

2000-2001	Fund Balance Initial Allocation	10,000
Prior Years Additions	Fund Balance and Tax Levy Allocations, Investment Income	27,169,286
Prior Year Expenditures	Board Approved Distributions	(18,657,506)
June 30, 2021	Balance	8,521,780
2021-2022	Additions	1,756,603
2021-2022	Expenditures	1,640,780
June 30, 2022	Balance	8,637,603

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, 2022.

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 2021/2022 school year the district made payments of \$1,473,756 (\$1,395,000 principal and \$78,756 interest) towards debt issues. At June 30, 2022, the District's outstanding debt of \$1,620,000 represents the principal for two remaining issues. These remaining issues are expected to be fully paid in the 2022-2023 and 2023-2024 years respectively.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect government units from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

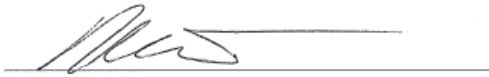
10) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

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.

The Honorable President and
Members of the Board of Education
Mahwah Township School District
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December 21, 2022

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 of Schools



Kyle Bleeker, Business Administrator
Township of Mahwah School District

**TOWNSHIP OF MAHWAH SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dr. Prema C. Moorthy, President	2022
Richard A. DeSilva, Jr., First Vice President	2023
Benjamin A. Kezmarsky, Second Vice President	2024
Brett L. Coplin	2022
Trista Daveniero	2024
John Dinice	2022
Michael Galow	2024
Dr. Matthew Park	2023
Lynda Zaccone	2023

Other Officials

Title

Michael DeTuro, Ed.D.	Superintendent of Schools
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

Qualified Opinion

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 Mahwah Township School District (the "District"), in the County of Bergen, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, 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.

Basis for Qualified Opinion

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

Matter Giving Rise to Qualified Opinion

The District's note disclosure on postemployment benefits other than pensions (OPEB) (Note 13) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey (the "Division"), as of the date of this report. The District is in a "special funding situation" in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District's net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 21 to the financial statements, the District implemented GASB Statement No. 87, *Leases*, during the fiscal year ended June 30, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement 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 is the responsibility of management and, although not a part of the basic financial statements, are 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.

The Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios (Exhibit L-5) do not contain the June 30, 2021 OPEB information as the related GASB No. 75 report for SHBP has not been released by the State as of the date of this report. The District is in a "special funding situation" in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District's net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. This required supplementary information is required to be presented to supplement the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary 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 supplementary information 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*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information 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.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022 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 District's internal control over financial reporting and compliance.

December 21, 2022
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, 2022**

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, 2022. 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, 2022**

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

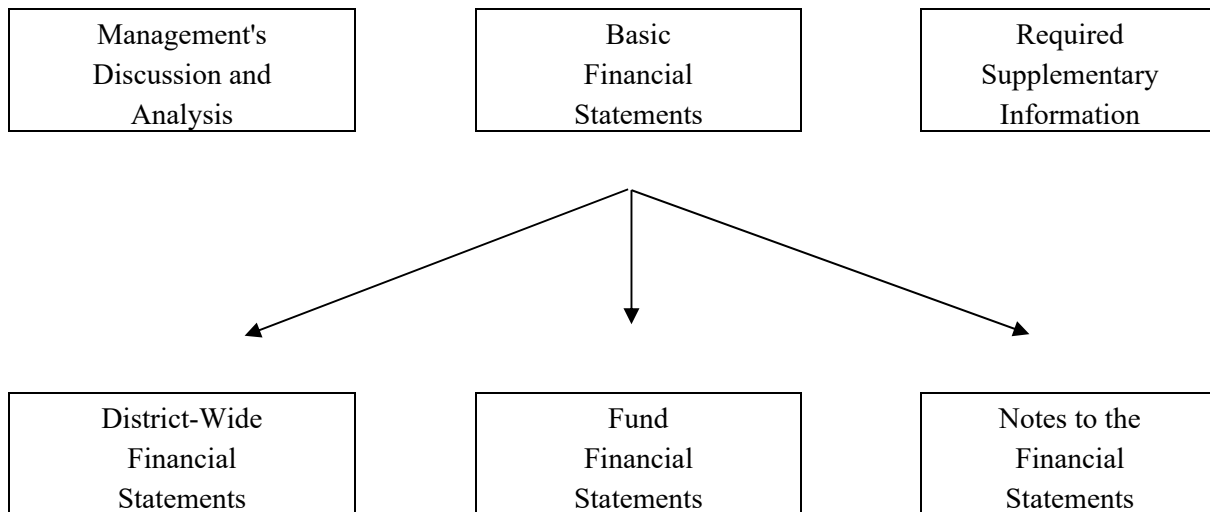


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**Township of Mahwah School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

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, lease 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, 2022**

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, 2022**

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, 2022 and 2021. The District's combined net position was \$29,946,412 on June 30, 2022, \$5,093,595 or 20.50% more than it was the fiscal year before. The net position of the governmental activities increased by \$4,762,428 and the net position of the business-type activities increased by \$331,167.

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

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2021/22
	2021/22	2020/21 (Restated)	2021/22	2020/21	2021/22	2020/21 (Restated)	
Assets:							
Current and							
Other Assets	\$ 25,709,645	\$ 24,618,553	\$ 1,311,722	\$ 1,110,723	\$ 27,021,367	\$ 25,729,276	
Capital Assets, Net	20,960,559	20,923,463	117,418	130,274	21,077,977	21,053,737	
Lease Assets, Net	2,184,884	964,079			2,184,884	964,079	
Total Assets	48,855,088	46,506,095	1,429,140	1,240,997	50,284,228	47,747,092	5.31%
Deferred Outflows of Resources	1,007,399	1,790,148	49,316	93,287	1,056,715	1,883,435	-43.89%
Liabilities:							
Other Liabilities	970,455	1,517,246	135,661	146,854	1,106,116	1,664,100	
Long-Term Liabilities	15,108,298	18,072,651	364,164	543,345	15,472,462	18,615,996	
Total Liabilities	16,078,753	19,589,897	499,825	690,199	16,578,578	20,280,096	-18.25%
Deferred Inflows of Resources	4,560,707	4,245,747	255,246	251,867	4,815,953	4,497,614	7.08%
Net Position:							
Net Investment in							
Capital Assets	19,371,869	18,036,062	117,418	130,274	19,489,287	18,166,336	
Restricted	16,608,007	18,138,303			16,608,007	18,138,303	
Unrestricted (Deficit)	(6,756,849)	(11,713,766)	605,967	261,944	(6,150,882)	(11,451,822)	
Total Net Position	\$ 29,223,027	\$ 24,460,599	\$ 723,385	\$ 392,218	\$ 29,946,412	\$ 24,852,817	20.50%

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Figure A-4 represents the *Changes in Net Position*. Net investment in capital assets increased \$1,322,951 primarily due to \$1,097,080 in capital assets additions, \$1,950,945 in lease asset additions and leases agreements entered into, maturity of \$725,219 in lease principal, the retirement of \$1,395,000 of serial bonds payable and \$31,500 deferred amount on refunding related to the current year bond refunding, \$1,017,338 of depreciation expense, \$730,140 in amortization expense, amortized deferred amount on refunding of \$99,170, and net capital asset disposals of \$55,602. Restricted net position decreased by \$1,530,296 due to increases in the capital reserve of \$115,823, unemployment compensation of \$45,108, student activities of \$49,648 and scholarships of \$8,568, offset by a decrease in excess surplus of \$1,692,765 and a decrease in the maintenance reserve of \$56,678. Unrestricted net position (deficit) decreased \$5,300,940 primarily due to a decrease in the net pension liability and an excess in budget revenue and unexpended budget balances as well as changes in deferred inflows and outflows related to pensions and a decrease in compensated absences payable.

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

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	Change 2021/22
Revenue:							
Program Revenue:							
Charges for Services	\$ 877,337	\$ 379,342	\$ 14,734,147	\$ 10,651,480	\$ 15,611,484	\$ 11,030,822	
Grants and Contributions:							
Operating	18,496,346	20,964,399	1,279,110	663,415	19,775,456	21,627,814	
General Revenue:							
Property Taxes	67,769,621	66,551,945			67,769,621	66,551,945	
Unrestricted State/ Federal Aid	85,477	105,075			85,477	105,075	
Other	642,137	618,700	64	468	642,201	619,168	
Total Revenue	87,870,918	88,619,461	16,013,321	11,315,363	103,884,239	99,934,824	3.95%
Expenses:							
Instruction	40,496,398	41,568,419			40,496,398	41,568,419	
Pupil and Instruction Services	21,109,411	19,600,490			21,109,411	19,600,490	
Administration and Business	7,225,084	7,992,410			7,225,084	7,992,410	
Maintenance and Operations	8,506,120	7,243,658			8,506,120	7,243,658	
Transportation	5,088,122	4,074,833			5,088,122	4,074,833	
Other	683,355	678,118	15,672,651	11,247,334	16,356,006	11,925,452	
Total Expenses	83,108,490	81,157,928	15,672,651	11,247,334	98,781,141	92,405,262	6.90%
Disposal of Capital Assets, Net of Depreciation			(9,503)		(9,503)		-100.00%
Increase/(Decrease) in Net Position	\$ 4,762,428	\$ 7,461,533	\$ 331,167	\$ 68,029	\$ 5,093,595	\$ 7,529,562	-32.35%

**Township of Mahwah School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

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	
	2021/2022	2020/2021	2021/2022	2020/2021
Instruction	\$ 40,496,398	\$ 41,568,419	\$28,136,993	\$28,830,652
Pupil and Instruction Services	21,109,411	19,600,490	16,946,776	13,569,103
Administration and Business	7,225,084	7,992,410	6,059,376	6,468,024
Maintenance and Operations	8,506,120	7,243,658	7,645,721	7,004,509
Transportation	5,088,122	4,074,833	4,262,586	3,263,781
Other	683,355	678,118	683,355	678,118
	<u>\$ 83,108,490</u>	<u>\$ 81,157,928</u>	<u>\$63,734,807</u>	<u>\$59,814,187</u>

**Township of Mahwah School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Business-Type Activities

Net position from the District’s business-type activities increased by \$331,167 (\$146,635 in Region I services and \$194,035 in food service). (Refer to Figure A-4). The increase in food service was due primarily to fully re-opening their cafeteria in all of their locations following the COVID-19 school shutdown as well as the offering of free meals to all students under the Seamless Summer Option. The increase in the Region I services was due primarily to changes in deferred inflows and outflows related to pensions and the decrease in the net pension liability.

Financial Analysis of the District’s Funds

The financial position of the District is continuing to adjust following two years that were impacted by the COVID-19 pandemic. Careful planning and decision-making has allowed the District to weather this time fairly well.

Ratables in the municipality remain more or less stable, and at a level that allows a wider spread of the tax levy across commercial properties and keeps residential taxes at a level that is lower than neighboring municipalities.

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 2021/2022 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
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	
Sites (Land)	\$ 1,451,475	\$ 1,451,475			\$ 1,451,475	\$ 1,451,475	
Buildings and Building Improvements	17,192,481	17,018,696			17,192,481	17,018,696	
Site Improvements	286,846	297,878			286,846	297,878	
Machinery and Equipment	2,029,757	2,155,414	\$ 117,418	\$ 130,274	2,147,175	2,285,688	
Total Capital Assets, Net of Depreciation	\$ 20,960,559	\$ 20,923,463	\$ 117,418	\$ 130,274	\$ 21,077,977	\$ 21,053,737	0.12%

The District’s capital assets (net of depreciation) increased \$24,240, or .12%, 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 2021/2022 school year, District additions totaled \$1,097,680 which were offset by \$1,017,838 in depreciation and \$55,602 in net disposals.

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Long-Term Liabilities

The District's long-term liabilities decreased by \$3,143,534, or 16.89%, during the fiscal year. At fiscal year-end, the District had \$1,620,000 of general obligation bonds outstanding, \$6,871,016 in net pension liability (\$6,506,852 governmental activities and \$364,164 business-type activities), \$152,703 in unamortized bond issuance premiums, \$4,548,948 in compensated absences payable, and \$2,279,795 in leases payable. (More detailed information about the District's long-term liabilities is presented in Note 11 to the Basic Financial Statements).

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

	Total School District		Total Percentage Change 2021/22
	2021/22	2020/21 (Restated)	
Governmental Activities:			
General Obligation Bonds, Net (Financed with Property Taxes)	\$ 1,620,000	\$ 3,015,000	
Net Pension Liability	6,506,852	9,159,251	
Other Long-Term Liabilities	6,981,446	5,898,400	
Total Governmental Activities	<u>15,108,298</u>	<u>18,072,651</u>	-16.40%
Business-Type Activities:			
Net Pension Liability	<u>364,164</u>	<u>543,345</u>	
Total Business-Type Activities	<u>364,164</u>	<u>543,345</u>	-32.98%
Total District-wide	<u>\$ 15,472,462</u>	<u>\$ 18,615,996</u>	<u>-16.89%</u>

- Principal payments of \$1,395,000 on the District's general obligation bonds were made during the fiscal year.
- The District's net pension liability decreased by \$2,831,580 (\$2,652,399 governmental activities decrease and \$179,181 business-type activities decrease).
- Unamortized bond premiums decreased by \$99,170.
- Compensated absences payable decreased by the net amount of \$43,510.
- The District's other long-term liabilities as of June 30, 2022 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.
- The District entered into a \$1,950,945 lease for computers and paid down \$725,219 in lease principal during the fiscal year.

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

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 2022/2023 school year will be challenging as our District continues to work to recover from the conditions of the COVID-19 global health pandemic. Prudent and careful decisions will need to be made as the influx of Federal Funds are being exhausted, and those programs that were introduced to address learning loss from the pandemic are phased out.

With existing long-term bonds soon to be expired, District Administration and the Board may consider positioning themselves for a Bond referendum to ensure against instability for the taxpayer.

Currently, rising interest rates, inflation, supply-chain issues, and adjusting wage rates to retain and attract quality staff across all industries is a challenge that will need to be closely monitored to ensure that decisions can maintain the stability of District finances.

Recent increases to transportation and health benefit costs and an increase in students that require placement outside of the District, are variables that have impacted the 2022/2023 budget following its adoption in Spring 2022.

Many factors were considered by the District's Administration during the process of developing and presenting the 2022/2023 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

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, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,062,905	\$ 977,544	\$ 8,040,449
Internal Balances	1,274,421	(1,274,421)	
Receivables from State Government	1,526,772	2,362	1,529,134
Receivables from Federal Government	1,109,400	102,643	1,212,043
Receivables from Other Governmental Units		1,464,526	1,464,526
Other Receivables	3,839		3,839
Inventory		39,068	39,068
Restricted Cash and Cash Equivalents	12,857,308		12,857,308
Restricted Investments	1,875,000		1,875,000
Capital Assets, Net:			
Sites (Land)	1,451,475		1,451,475
Depreciable Buildings and Building Improvements, Site Improvements and Machinery and Equipment	19,509,084	117,418	19,626,502
Lease Assets, Net	2,184,884		2,184,884
Total Assets	<u>48,855,088</u>	<u>1,429,140</u>	<u>50,284,228</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	126,221		126,221
Deferred Outflows Related to Pensions	881,178	49,316	930,494
Total Deferred Outflows of Resources	<u>1,007,399</u>	<u>49,316</u>	<u>1,056,715</u>
LIABILITIES			
Current Liabilities:			
Payable to State Government	502		502
Payable to Federal Government	21,589		21,589
Accounts Payable	917,823	90,412	1,008,235
Accrued Interest Payable	23,025		23,025
Unearned Revenue	7,516	45,249	52,765
Noncurrent Liabilities:			
Due Within One Year	1,910,151		1,910,151
Due Beyond One Year	13,198,147	364,164	13,562,311
Total Liabilities	<u>16,078,753</u>	<u>499,825</u>	<u>16,578,578</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	4,560,707	255,246	4,815,953
Total Deferred Inflows of Resources	<u>4,560,707</u>	<u>255,246</u>	<u>4,815,953</u>
NET POSITION			
Net Investment in Capital Assets	19,371,869	117,418	19,489,287
Restricted for:			
Capital Projects	8,637,603		8,637,603
Debt Service	3,695		3,695
Maintenance	1,693,322		1,693,322
Emergency	508,900		508,900
Excess Surplus	1,872,004		1,872,004
Unemployment Compensation	776,835		776,835
Student Activities	1,156,559		1,156,559
Scholarships	1,959,089		1,959,089
Unrestricted (Deficit)	(6,756,849)	605,967	(6,150,882)
Total Net Position	<u>\$ 29,223,027</u>	<u>\$ 723,385</u>	<u>\$ 29,946,412</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, 2022

	Program Revenues					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating		Capital	Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Grants and Contributions	Contributions			
Governmental Activities:								
Instruction:								
Regular	\$ 27,507,927		\$ 5,544,277			\$ (21,963,650)		\$ (21,963,650)
Special Education	9,087,977		6,068,274			(3,019,703)		(3,019,703)
Other Special Instruction	1,940,767		401,270			(1,539,497)		(1,539,497)
Other Instruction	1,959,727		345,584			(1,614,143)		(1,614,143)
Support Services:								
Tuition	5,617,778		650,382			(4,967,396)		(4,967,396)
Student & Instruction Related Services	15,491,633	\$ 877,337	2,634,916			(11,979,380)		(11,979,380)
General Administrative Services	1,017,683		89,740			(927,943)		(927,943)
School Administrative Services	3,503,569		704,611			(2,798,958)		(2,798,958)
Central Services	1,322,551		232,777			(1,089,774)		(1,089,774)
Administrative Information Technology	1,381,281		138,580			(1,242,701)		(1,242,701)
Plant Operations and Maintenance	8,506,120		860,399			(7,645,721)		(7,645,721)
Pupil Transportation	5,088,122		825,536			(4,262,586)		(4,262,586)
Interest on Long-Term Debt	56,480					(56,480)		(56,480)
Unallocated Depreciation	626,875					(626,875)		(626,875)
Total Governmental Activities	83,108,490	877,337	18,496,346		\$ -0-	(63,734,807)		(63,734,807)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	\$ 1,264,780	\$ 179,641	\$ 1,279,110		\$ 193,971	\$ 193,971	\$ 193,971
Region I Transportation	14,146,214	14,147,656			1,442	1,442	1,442
Region I Administration	261,657	406,850			145,193	145,193	145,193
Total Business-Type Activities	15,672,651	14,734,147	1,279,110		340,606	340,606	340,606
Total Primary Government	\$ 98,781,141	\$ 15,611,484	\$ 19,775,456	\$ -0-	\$ (63,734,807)	340,606	(63,394,201)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					66,295,864		66,295,864
Taxes Levied for Debt Service					1,473,757		1,473,757
Federal and State Aid not Restricted					85,477		85,477
Investment Earnings					26,279	64	26,343
Miscellaneous Income					615,858		615,858
Other Item:							
Disposal of Capital Assets, Net of Depreciation						(9,503)	(9,503)
Total General Revenues					68,497,235	(9,439)	68,487,796
Change in Net Position					4,762,428	331,167	5,093,595
Net Position - Beginning (Restated)					24,460,599	392,218	24,852,817
Net Position - Ending					\$ 29,223,027	\$ 723,385	\$ 29,946,412

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, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 6,863,590		\$ 195,620	\$ 3,695	\$ 7,062,905
Interfund Receivable	2,511,979				2,511,979
Receivables from State Government	1,524,598	\$ 2,174			1,526,772
Receivables from Federal Government		1,109,400			1,109,400
Other Receivables		3,839			3,839
Restricted Cash and Cash Equivalents	11,616,660	1,240,648			12,857,308
Restricted Investments		1,875,000			1,875,000
Total Assets	\$ 22,516,827	\$ 4,231,061	\$ 195,620	\$ 3,695	\$ 26,947,203
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable	\$ 172,719	\$ 1,064,839			\$ 1,237,558
Payable to State Government		502			502
Payable to Federal Government		21,589			21,589
Accounts Payable	248,161	20,967			269,128
Unearned Revenue		7,516			7,516
Total Liabilities	420,880	1,115,413			1,536,293
Fund Balances:					
Restricted:					
Capital Reserve Account	8,637,603				8,637,603
Maintenance Reserve Account	1,693,322				1,693,322
Emergency Reserve Account	508,900				508,900
Excess Surplus - 2023-2024	1,183,574				1,183,574
Excess Surplus - 2022-2023	688,430				688,430
Unemployment Compensation	776,835				776,835
Student Activities		1,156,559			1,156,559
Scholarships		1,959,089			1,959,089
Debt Service				\$ 3,695	3,695
Committed			\$ 195,620		195,620
Assigned:					
Year-End Encumbrances	3,183,640				3,183,640
Designated for Subsequent Year's Expenditures	1,661,570				1,661,570
Unassigned	3,762,073				3,762,073
Total Fund Balances	22,095,947	3,115,648	195,620	3,695	25,410,910
Total Liabilities and Fund Balances	\$ 22,516,827	\$ 4,231,061	\$ 195,620	\$ 3,695	\$ 26,947,203
Amounts reported for <i>Governmental Activities</i> in the Statement of Net Position (A-1) are different because:					
Total Fund Balances (Above)					\$ 25,410,910
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.					20,960,559
Leased Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.					2,184,884
The Deferred Amount on Refunding is not reported as an expenditure in the Governmental Funds in the year of the refunding.					126,221
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.					(6,506,852)
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					232,483
Deferred Inflows Related to Pensions					(4,560,707)
Long-Term Liabilities, including Bonds Payable and Leases Payable are not due and payable in the current period and therefore are not reported as Liabilities in the Funds.					(8,448,743)
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.					(23,025)
Bond Premiums are reported as revenue in the Governmental Funds.					(152,703)
Net Position of Governmental Activities					\$ 29,223,027

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, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Local Tax Levy	\$ 66,295,864			\$ 1,473,757	\$ 67,769,621
Miscellaneous Revenues	642,137	\$ 996,683			1,638,820
Total - Local Sources	66,938,001	996,683		1,473,757	69,408,441
State Sources	19,331,412	25,441			19,356,853
Federal Sources	25,683	1,705,992			1,731,675
Total Revenues	86,295,096	2,728,116		1,473,757	90,496,969
EXPENDITURES					
Current:					
Regular Instruction	18,590,391	82,067			18,672,458
Special Education Instruction	5,999,064	209,294			6,208,358
Other Special Instruction	1,323,630				1,323,630
Other Instruction	1,404,810				1,404,810
Support Services and Undistributed Costs:					
Tuition	4,967,396	650,382			5,617,778
Student & Instruction Related Services	10,529,380	1,067,588			11,596,968
General Administrative Services	752,045				752,045
School Administrative Services	2,411,482				2,411,482
Central Services	944,095				944,095
Administration Information Technology	1,147,340				1,147,340
Plant Operations and Maintenance	7,255,375				7,255,375
Pupil Transportation	4,824,176				4,824,176
Unallocated Benefits	23,413,999				23,413,999
Debt Service:					
Principal				1,395,000	1,395,000
Interest and Other Charges				78,756	78,756
Capital Outlay	3,105,374	660,570	\$ 4,810		3,770,754
Total Expenditures	86,668,557	2,669,901	4,810	1,473,756	90,817,024
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(373,461)	58,215	(4,810)	1	(320,055)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES/(USES)					
Leases (non-budgeted)	\$ 1,950,945				1,950,945
Transfers In			\$ 200,430		\$ 200,430
Transfers Out	(200,430)				(200,430)
Total Other Financing Sources/(Uses)	<u>1,750,515</u>		<u>200,430</u>		<u>1,950,945</u>
Net Change in Fund Balances	1,377,054	\$ 58,215	195,620	\$ 1	1,630,890
Fund Balance - July 1	<u>20,718,893</u>	<u>3,057,433</u>		<u>3,694</u>	<u>23,780,020</u>
Fund Balance - June 30	<u>\$ 22,095,947</u>	<u>\$ 3,115,648</u>	<u>\$ 195,620</u>	<u>\$ 3,695</u>	<u>\$ 25,410,910</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, 2022

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$ 1,630,890						
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:							
Capital outlays related to capital assets 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.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Depreciation expense</td> <td style="width: 20%; text-align: right;">\$ (992,885)</td> </tr> <tr> <td>Capital asset additions</td> <td style="text-align: right;">1,076,080</td> </tr> <tr> <td style="border-top: 1px solid black;">Disposal of Capital Assets, Net of Accumulated Depreciation</td> <td style="text-align: right; border-top: 1px solid black;">(46,099)</td> </tr> </table>	Depreciation expense	\$ (992,885)	Capital asset additions	1,076,080	Disposal of Capital Assets, Net of Accumulated Depreciation	(46,099)
Depreciation expense	\$ (992,885)						
Capital asset additions	1,076,080						
Disposal of Capital Assets, Net of Accumulated Depreciation	(46,099)						
Capital outlays related to lease assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Amortization expense</td> <td style="width: 20%; text-align: right;">(730,140)</td> </tr> <tr> <td style="border-top: 1px solid black;">Lease asset additions</td> <td style="text-align: right; border-top: 1px solid black;">1,950,945</td> </tr> </table>	Amortization expense	(730,140)	Lease asset additions	1,950,945		
Amortization expense	(730,140)						
Lease asset additions	1,950,945						

Leases entered into by the District are an other financing source in the governmental funds, but the acquisition increases long-term liabilities in the statement of net position and is not reported in the statement of activities.

Repayment of leases 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.

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	2,652,399
Changes in Deferred Inflows and Outflows	(1,013,822)

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 (+).

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, 2022

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 (+)

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

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

	\$ 99,170
	<u>(91,368)</u>
	<u>\$ 4,762,428</u>

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, 2022

	Business-Type Activities - Enterprise Funds			
	Major Funds	Total		Total
	Region I	Non-Major	Funds	Enterprise
Transportation	Administration	Funds	Funds	Funds
Current Assets:				
Cash and Cash Equivalents	\$ 658,528	\$ 319,016		\$ 977,544
Receivable from:				
Federal Government		102,643		102,643
State Government		2,362		2,362
Other Governmental Units	12,374			1,464,526
Interfund Receivable - General Fund		172,719		172,719
Inventories		39,068		39,068
Total Current Assets	1,452,152	670,902	635,808	2,758,862
Non-Current Assets:				
Capital Assets			478,657	478,657
Less: Accumulated Depreciation			(361,239)	(361,239)
Total Non-Current Assets			117,418	117,418
Total Assets	1,452,152	670,902	753,226	2,876,280
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Outflows Related to Pensions		49,316		49,316
Total Deferred Outflows of Resources		49,316		49,316

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Major Funds	Total		Total
	Region I	Non-Major	Funds	Enterprise
Transportation	Administration			Funds
Current Liabilities:				
Interfund Payable - General Fund	\$ 1,447,140			\$ 1,447,140
Accounts Payable	3,570	\$ 36,305	\$ 50,537	90,412
Unearned Revenue:				
Prepaid Student Balances			33,986	33,986
Commodities			11,263	11,263
Noncurrent Liabilities:				
Due Beyond One Year		364,164		364,164
Total Liabilities	1,450,710	400,469	95,786	1,946,965
DEFERRED INFLOWS OF RESOURCES:				
Deferred Inflows Related to Pensions		255,246		255,246
Total Deferred Inflows of Resources		255,246		255,246
NET POSITION:				
Investment in Capital Assets			117,418	117,418
Unrestricted	1,442	64,503	540,022	605,967
Total Net Position	\$ 1,442	\$ 64,503	\$ 657,440	\$ 723,385

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, 2022

	Business-Type Activities - Enterprise Funds			
	Major Funds		Total	
	Region I	Administration	Non-Major Funds	Enterprise Funds
Operating Revenue:				
Charges for Services:				
Daily Sales:				
Non-Reimbursable Programs		\$ 406,850	\$ 178,399	\$ 178,399
Program Fees	\$ 14,147,656			406,850
Transportation Fees from Other LEA's Within the State	14,147,656	406,850	178,399	14,147,656
Special Events			1,242	1,242
Total Operating Revenue	14,147,656	406,850	179,641	14,734,147
Operating Expenses:				
Cost of Sales:				
Reimbursable			568,014	568,014
Non-Reimbursable			77,366	77,366
Total Cost of Sales			645,380	645,380
Salaries, Benefits & Payroll Taxes		200,719	432,928	633,647
Contracted Services	14,146,214		47,925	14,194,139
Purchased Professional/Technical Services		1,239		1,239
Purchased Property Services			28,940	28,940
Other Purchased Services		917	1,360	2,277
Supplies and Materials			68,931	68,931
Rent		37,500		37,500
General Supplies		13,968		13,968
Miscellaneous Expenses		7,314	14,363	21,677
Depreciation Expense			24,953	24,953
Total Operating Expenses	14,146,214	261,657	1,264,780	15,672,651

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Major Funds	Total	Total	Total
	Region I	Non-Major	Funds	Enterprise
	Transportation	Administration	Funds	Funds
Operating Income/(Loss)	\$ 1,442	\$ 145,193	\$ (1,085,139)	\$ (938,504)
Non-Operating Revenue:				
Federal Sources:				
National School Lunch Program:				
COVID-19 Seamless Summer Option		1,187,545		1,187,545
COVID 19 - Emergency Operational Cost Reimbursement Program		25,715		25,715
COVID-19 Pandemic EBT Food Benefits		1,242		1,242
Food Distribution Program		36,667		36,667
State Sources:				
School Lunch Program:				
COVID-19 Seamless Summer Option		27,941		27,941
Local Sources - Interest Revenue		64		64
Total Non-Operating Revenue		1,279,174		1,279,174
Change in Net Position Before Transfer and Other Item	1,442	145,193	194,035	340,670
Transfer	(266,175)	266,175		
Other Item - Disposal of Capital Assets, Net			(9,503)	(9,503)
Change in Net Position	(264,733)	411,368	194,035	331,167
Net Position/(Deficit) - Beginning of Year	266,175	(346,865)	472,908	392,218
Net Position - End of Year	\$ 1,442	\$ 64,503	\$ 666,943	\$ 723,385

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, 2022

	Business-Type Activities - Enterprise Funds			
	Major Funds		Total	Total
	Transportation	Administration	Non-Major Funds	Enterprise Funds
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 13,822,653	\$ 406,735	\$ 163,322	\$ 14,392,710
Payments to/for Employees		(332,550)		(332,550)
Payments to Food Service Vendor			(1,196,436)	(1,196,436)
Payments to Transportation Vendors	(14,142,644)			(14,142,644)
Payments to Suppliers		(65,337)	(9,260)	(74,597)
Net Cash Provided by/(Used for) Operating Activities	(319,991)	8,848	(1,042,374)	(1,353,517)
Cash Flows from Investing Activities:				
Interest Income			64	64
Net Cash Provided by Investing Activities			64	64
Cash Flows from Noncapital and Related Financing Activities:				
Federal Subsidy Reimbursements Collected in Food Service Fund			1,055,289	1,055,289
State Subsidy Reimbursements Collected in Food Service Fund			27,416	27,416
Emergency Operational Cost Program Collected in Food Service Fund			25,715	25,715
Pandemic EBT Food Benefits Collected in Food Service Fund			614	614
Cash Received - Interfund Payable - General Fund	586,166	266,175		586,166
Transfer	(266,175)			
Net Cash Provided by/(Used for) Noncapital and Related Financing Activities	319,991	266,175	1,109,034	1,695,200
Cash Flows from Capital and Related Financing Activities:				
Purchase of Capital Assets			(21,600)	(21,600)
Net Cash Used for Capital and Related Financing Activities			(21,600)	(21,600)
Net Increase/(Decrease) in Cash and Cash Equivalents		275,023	45,124	320,147
Cash and Cash Equivalents, July 1		383,505	273,892	657,397
Cash and Cash Equivalents, June 30	\$ - 0 -	\$ 658,528	\$ 319,016	\$ 977,544

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Major Funds		Total	
	Region I	Non-Major	Enterprise	Total
	Transportation	Administration	Funds	Funds
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Operating Income/(Loss)	\$ 1,442	\$ 145,193	\$ (1,085,139)	\$ (938,504)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Depreciation			24,953	24,953
Federal Food Distribution Program			36,667	36,667
Changes in Assets and Liabilities:				
(Increase)/Decrease in:				
Pensions:				
Difference Between Expected and Actual Experience		47,350		47,350
Deferred Inflows and Outflows Related to Pensions			(1,242)	(1,242)
Interfund Receivable				(325,118)
Receivable from Other Governmental Units	(325,003)	(115)		(7,249)
Inventory				
Increase/(Decrease) in:				
Net Pension Liability		(179,181)		(179,181)
Accounts Payable	3,570	(4,399)	882	53
Unearned Revenue - Donated Commodities			3,831	3,831
Unearned Revenue - Prepaid Student Balances			(15,077)	(15,077)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (319,991)</u>	<u>\$ 8,848</u>	<u>\$ (1,042,374)</u>	<u>\$ (1,353,517)</u>
<u>Non-Cash Investing, Capital and Financing Activities:</u>				

The Food Service Enterprise Fund received commodities from the Federal Food Distribution Program valued at \$40,498 and utilized commodities from the Federal Food Distribution Program valued at \$36,667 for the fiscal year ended June 30, 2022.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022
(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, 2022
(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 or lease 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 or lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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, 2022 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, 2022
(Continued)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 86,309,724	\$ 2,745,765
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP basis does not.		
Current Year Encumbrances		(17,649)
Prior Year State aid payments recognized for GAAP statements, not recognized for budgetary purposes	236,075	
Current Year State aid payments recognized for budgetary purposes, not recognized for GAAP statements	<u>(250,703)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 86,295,096</u>	<u>\$ 2,728,116</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 86,668,557	\$ 2,687,550
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		<u>(17,649)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 86,668,557</u>	<u>\$ 2,669,901</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(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, 2022
(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, 2022.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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. Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. 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.

N. 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, 2022.

O. 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, 2022
(Continued)

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

O. 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.

P. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Q. 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.

R. Fund Balance Appropriated:

General Fund: Of the \$22,095,947 General Fund balance at June 30, 2022, \$8,637,603 is restricted in the capital reserve account; \$1,693,322 is restricted in the maintenance reserve; \$508,900 is restricted in the emergency reserve account; \$776,835 is restricted for unemployment compensation; \$1,872,004 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) (\$688,430 is prior year excess surplus which is included as anticipated budget revenue for the fiscal year ending June 30, 2023 and \$1,183,574 is current year excess surplus which will be included as anticipated budget revenue for the fiscal year ending June 30, 2024); \$3,183,640 is assigned for encumbrances; \$1,661,570 is designated for subsequent year's expenditures; and \$3,762,073 is unassigned which is \$250,703 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, 2023.

Special Revenue Fund: Of the \$3,115,648 Special Revenue Fund balance at June 30, 2022, \$1,156,559 is restricted for student activities and \$1,959,089 is restricted for scholarships.

Capital Projects Fund: The \$195,620 Capital Projects Fund balance at June 30, 2022 is committed for capital projects.

Debt Service Fund: The \$3,695 Debt Service Fund balance at June 30, 2022 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, 2022 as outlined above.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

R. 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 \$250,703 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.

S. 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 \$195,620 of committed resources in the Capital Projects Fund at June 30, 2022.

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, 2022.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

T. Deficit Net Position:

The District has a \$6,756,849 deficit in unrestricted net position in governmental activities as of June 30, 2022 primarily due to the non-recognition of the June state aid payments as explained in Note 1R on the previous page, the accrual of \$4,548,948 in compensated absences payable, \$23,025 in accrued interest payable, \$152,703 of unamortized bond issuance premiums, deferred inflows related to pensions of \$4,560,707 and net pension liability of \$6,506,852, offset by deferred outflows related to pensions of \$232,483, excluding the District contribution subsequent to the measurement date, and \$8,607,283 governmental funds assigned and unassigned fund balances. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

U. 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, 2022 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, 2022, 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, lease assets, net of accumulated amortization 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, 2022
(Continued)

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

V. 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.

W. 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.

X. 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.

Y. 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, 2022
(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, 2022
(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, 2022
(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, 2022, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents			
	Unrestricted	Restricted		
		Reserve Accounts		
		Capital	Maintenance	Emergency
Checking Accounts	\$ 8,040,449	\$ 8,637,603	\$ 1,693,322	\$ 508,900

	Cash and Cash Equivalents			Investments	
	Restricted				
	Reserve Accounts				
	Unemployment Compensation	Student Activities	Scholarship	Scholarship CD	
Checking Accounts	\$ 776,835	\$ 1,156,559	\$ 84,089	\$ 1,875,000	\$22,772,757

During the period ended June 30, 2022, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2022 was \$22,772,757 and the bank balance was \$27,272,596.

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, 2022
(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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$ 8,521,780
Budgeted Withdrawal - Capital Projects Fund	(200,430)
Budgeted Withdrawal - Capital Outlay	(2,669,570)
Board Approved Withdrawals - Capital Outlay	(462,600)
Interest Earned	6,603
Increase Approved by Board Resolution June 15, 2022	1,750,000
Unexpended Balances Returned - Capital Outlay	<u>1,691,820</u>
Ending Balance, June 30, 2022	<u>\$ 8,637,603</u>

The balance in the capital reserve account at June 30, 2022 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, 2022
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$ 1,750,000
Board Approved Withdrawals - Maintenance	(806,678)
Increase Approved by Board Resolution June 15, 2022	<u>750,000</u>
Ending Balance, June 30, 2022	<u><u>\$ 1,693,322</u></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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	<u>\$ 508,900</u>
Ending Balance, June 30, 2022	<u><u>\$ 508,900</u></u>

NOTE 7. RECEIVABLES FROM OTHER GOVERNMENTS

The following receivables due from other governments existed as of June 30, 2022:

	Governmental Activities		Business-Type Activities
	General Fund	Special Revenue Fund	Total Governmental Funds
Federal		\$ 1,109,400	\$ 102,643
State	\$ 1,524,598	2,174	2,362
Other			1,464,526
	<u>\$ 1,524,598</u>	<u>\$ 1,111,574</u>	<u>\$ 2,636,172</u>
			<u>\$ 1,569,531</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2022, the District transferred \$524,170 to the capital outlay accounts; \$109,298 for equipment and \$615,302 for facilities acquisition and construction services, including \$462,600 from the Capital Reserve for which County Superintendent approval was required.

NOTE 9. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2022 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 1,451,475			\$ 1,451,475
Total Capital Assets Not Being Depreciated	<u>1,451,475</u>			<u>1,451,475</u>
Capital Assets Being Depreciated:				
Buildings and Building Improvements	33,214,725	\$ 761,742		33,976,467
Site Improvements	330,976			330,976
Machinery and Equipment	5,603,737	314,338	\$ (262,117)	5,655,958
Total Capital Assets Being Depreciated	<u>39,149,438</u>	<u>1,076,080</u>	<u>(262,117)</u>	<u>39,963,401</u>
Governmental Activities Capital Assets	<u>40,600,913</u>	<u>1,076,080</u>	<u>(262,117)</u>	<u>41,414,876</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(16,196,029)	(587,957)		(16,783,986)
Site Improvements	(33,098)	(11,032)		(44,130)
Machinery and Equipment	(3,448,323)	(393,896)	216,018	(3,626,201)
	<u>(19,677,450)</u>	<u>(992,885)</u>	<u>216,018</u>	<u>(20,454,317)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 20,923,463</u>	<u>\$ 83,195</u>	<u>\$ (46,099)</u>	<u>\$ 20,960,559</u>
	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 480,461	\$ 21,600	\$ (23,404)	\$ 478,657
Less Accumulated Depreciation	<u>(350,187)</u>	<u>(24,953)</u>	<u>13,901</u>	<u>(361,239)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 130,274</u>	<u>\$ (3,353)</u>	<u>\$ (9,503)</u>	<u>\$ 117,418</u>

The increases totaling \$1,097,680 represent current fiscal year capitalized expenditures in the general fund, capital projects fund and the food service enterprise fund. The District had active construction projects totaling \$200,430 with unexpended balances of \$195,620 as of June 30, 2022. The District had \$195,620 in outstanding construction commitments at June 30, 2022.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 24,574
Student and Instruction Related Services	80,658
General Administrative Services	95,656
School Administrative Services	3,948
Plant Operations and Maintenance	102,642
Pupil Transportation	58,532
Unallocated	<u>626,875</u>
	<u>\$ 992,885</u>

NOTE 10. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2022 were as follows:

	(Restated) Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Lease Assets Being Amortized:				
Machinery and Equipment	\$ 2,365,877	\$ 1,950,945		\$ 4,316,822
Total Lease Assets Being Amortized	<u>2,365,877</u>	<u>1,950,945</u>		<u>4,316,822</u>
Governmental Activities Lease Assets	<u>2,365,877</u>	<u>1,950,945</u>		<u>4,316,822</u>
Less Accumulated Amortization for:				
Machinery and Equipment	<u>(1,401,798)</u>	<u>(730,140)</u>		<u>(2,131,938)</u>
	<u>(1,401,798)</u>	<u>(730,140)</u>		<u>(2,131,938)</u>
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 964,079</u>	<u>\$ 1,220,805</u>	<u>\$ -0-</u>	<u>\$ 2,184,884</u>

Amortization expense was charged to governmental functions as follows:

Regular Instruction	<u>\$ 730,140</u>
	<u>\$ 730,140</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 11. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the District-wide financial statements:

	(Restated) Balance 6/30/2021	Issued/ Added	Retired/ Matured	Balance 6/30/2022
Governmental Activities:				
Serial Bonds Payable	\$ 3,015,000		\$ 1,395,000	\$ 1,620,000
Unamortized Bond Issuance Premiums	251,873		99,170	152,703
Leases Payable	1,054,069	\$ 1,950,945	725,219	2,279,795
Net Pension Liability	9,159,251		2,652,399	6,506,852
Compensated Absences Payable	4,592,458		43,510	4,548,948
Total Governmental Activities	18,072,651	1,950,945	4,915,298	15,108,298
Business-Type Activities:				
Net Pension Liability	543,345		179,181	364,164
Total Business-Type Activities	543,345		179,181	364,164
Total District-wide	\$18,615,996	\$ 1,950,945	\$ 5,094,479	\$15,472,462

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.

The District had bonds outstanding as of June 30, 2022 as follows:

Purpose	Date of Issue	Final Maturity	Interest Rate	Amount
School Refunding Bonds	10/05/11	08/15/23	5.00%	\$ 1,150,000
School Refunding Bonds	07/15/20	09/15/22	1.067%	470,000
				\$ 1,620,000

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2023	\$ 1,075,000	\$ 44,883	\$ 1,119,883
2024	545,000	13,625	558,625
	\$ 1,620,000	\$ 58,508	\$ 1,678,508

B. Bonds Authorized But Not Issued:

As of June 30, 2022, the Board had no bonds authorized but not issued.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 11. LONG-TERM LIABILITIES (Cont'd)

C. Leases Payable:

The District had leases outstanding as of June 30, 2022 as follows:

Purpose	Frequency of Payment	Final Maturity Date	Interest Rate	Amount
Savin Copiers	Monthly	02/20/26	3.400%	\$ 328,850
HP Computers	Annual	07/29/22	0.000%	1,950,945
				\$ 2,279,795

Principal and interest due on leases outstanding will be liquidated through the General Fund as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2023	\$ 735,981	\$ 9,854
2024	738,939	6,896
2025	741,999	3,836
2026	62,876	804
	\$ 2,279,795	\$ 21,390

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 \$4,548,948 of compensated absences payable at June 30, 2022 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, 2022, 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, 2022 is \$99,170 and the long-term portion is \$53,533.

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, 2022 is \$0- and the long-term portion is \$6,871,016 (\$6,506,852 governmental activities and \$364,164 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, 2022

(Continued)

NOTE 12. 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.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

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

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.

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 \$679,252 for 2022 (\$643,048 general fund and \$36,204 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, 2022, the District reported a liability of \$6,871,016 for its proportionate share of the net pension liability (\$6,506,852 governmental activities and \$364,164 business-type activities). The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.058%, which was a decrease of 0.0015% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized a pension benefit of \$1,092,887.

At June 30, 2022, 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, 2022
(Continued)

NOTE 12. 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:			
2017	5.48 years		\$ 290,370
2018	5.63 years		544,384
2019	5.21 years		480,241
2020	5.16 years		1,131,131
2021	5.13 years	\$ 35,784	
Subtotal		35,784	2,446,126
Changes in Proportion:			
2017	5.48 years		5,670
2018	5.63 years	101,345	
2019	5.21 years		82,400
2020	5.16 years		159,578
2021	5.13 years		262,985
Subtotal		101,345	510,633
Difference Between Expected and Actual Experience:			
2017	5.48 years	8,636	
2018	5.63 years		20,730
2019	5.21 years	36,710	
2020	5.16 years	63,019	
2021	5.13 years		28,458
Subtotal		108,365	49,188
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments:			
2018	5 years		53,671
2019	5 years		(17,318)
2020	5 years		(390,301)
2021	5 years		2,163,954
Subtotal			1,810,006
District Contribution Subsequent to the Measurement			
Date - 2021	1 year	685,000	
		\$ 930,494	\$ 4,815,953

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 12. 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
2022	\$ (1,621,261)
2023	(1,157,576)
2024	(789,270)
2025	(593,296)
2026	232
	\$ (4,161,171)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2022

(Continued)

NOTE 12. 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, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2021 are summarized in the following table.

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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, 2022
(Continued)

NOTE 12. 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, 2021 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, 2021		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 9,356,930	\$ 6,871,016	\$ 4,761,365

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, 2022
(Continued)

NOTE 12. 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 2021, 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2022, the State of New Jersey contributed \$9,973,066 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$2,707,756.

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

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

At June 30, 2022, the State's proportionate share of the net pension liability attributable to the District was \$115,074,588. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was .2394%, which was a decrease of 0.0012% from its proportion measured as of June 30, 2020.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

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

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

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>115,074,588</u>
Total	\$	<u>115,074,588</u>

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$2,707,756 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

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

	<u>Amortization Period</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions:			
2014	8.50 years	\$ 153,774,925	
2015	8.30 years	926,219,611	
2016	8.30 years	3,000,278,784	
2017	8.30 years		\$ 5,282,196,290
2018	8.29 years		3,527,661,165
2019	8.04 years		2,510,940,613
2020	7.99 years	1,209,286,241	
2021	7.93 years		12,903,483,645
		<u>5,289,559,561</u>	<u>24,224,281,713</u>
Difference Between Expected and Actual Experience:			
2014	8.50 years		1,464,605
2015	8.30 years	57,204,429	
2016	8.30 years		37,311,034
2017	8.30 years	93,981,436	
2018	8.29 years	618,845,893	
2019	8.04 years		97,553,990
2020	7.99 years		6,444,940
2021	7.93 years	171,234,070	
		<u>941,265,828</u>	<u>142,774,569</u>
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments:			
2018	5 years		96,030,373
2019	5 years		(72,441,385)
2020	5 years		(724,186,621)
2021	5 years		3,554,633,811
			<u>2,854,036,178</u>
		<u>\$ 6,230,825,389</u>	<u>\$ 27,221,092,460</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 12. 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
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	\$(20,990,267,071)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2022
(Continued)

NOTE 12. 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, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table.

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 12. 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, 2021 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, 2021		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 136,152,460	\$ 115,074,588	\$ 97,370,501

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 \$41,320 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$72,582 for the fiscal year ended June 30, 2022.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 13. 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 Annual Comprehensive Financial Report (ACFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2019, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	149,304
Active Plan Members	<u>216,804</u>
Total	<u><u>366,108</u></u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 13. 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, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

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 - 4.45% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 4.45% based on service years	3.00 - 7.00% based on service years

The actuarial assumptions used in the June 30, 2019 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) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. 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-2020.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 13. 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 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. 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, 2019	\$ 88,188,911
Changes for Year:	
Service Cost	3,734,724
Interest	3,175,562
Difference Between Expected and Actual Experience	23,859,097
Changes of Assumptions	26,047,925
Member Contributions	75,245
Gross Benefit Payments	(2,482,530)
Net Changes	54,410,023
Balance at June 30, 2020	\$ 142,598,934

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, 2020 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, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
Total OPEB Liability Attributable to the District	\$ 171,910,375	\$ 142,598,934	\$ 119,680,210

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 13. 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, 2020 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, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 115,110,668	\$ 142,598,934	\$ 175,331,349

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$7,002,245 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, 2020, 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		\$ 8,654,102
	2018	9.51		7,617,244
	2019	9.29	\$ 1,026,723	
	2020	9.24	23,228,886	
			24,255,609	16,271,346
Differences between Expected and Actual Experience	2018	9.51		7,200,666
	2019	9.29		12,084,591
	2020	9.24	21,650,233	
			21,650,233	19,285,257
Changes in Proportion	N/A	N/A	1,064,730	1,097,479
			\$ 46,970,572	\$ 36,654,082

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 13. 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
2021	\$ 91,352
2022	91,352
2023	91,352
2024	91,352
2025	91,352
Thereafter	9,892,479
	\$ 10,349,239

NOTE 14. 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 Annual Comprehensive 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 Annual Comprehensive 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, 2022
(Continued)

NOTE 14. RISK MANAGEMENT (Cont'd)

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

The June 30, 2022 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, 2021 is as follows:

	Northeast Bergen County School Board Insurance Group (NESBIG)
Total Assets	\$ 32,611,761
Net Position	\$ 21,423,424
Total Revenue	\$ 15,352,401
Total Expenses	\$ 12,573,477
Member Dividends	\$ 2,200,000
Change in Net Position for the Year Ended June 30, 2021	\$ 578,924

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
2021-2022	\$ -0-	\$ 827	\$ 156,787	\$ 112,506	\$ 776,835
2020-2021	-0-	1,413	158,389	111,464	731,727
2019-2020	-0-	5,968	109,979	110,474	683,389

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 15. 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 16. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2022:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$2,511,979	\$ 172,719
Special Revenue Fund		1,064,839
Proprietary Funds:		
Region I Transportation		1,447,140
Food Service	<u>172,719</u>	
	<u>\$2,684,698</u>	<u>\$2,684,698</u>

During the fiscal year, the General Fund transferred \$200,430 to the Capital Projects Fund for the local share of capital projects.

The General Fund interfund receivable of \$2,511,979 is interfund loans due from the Special Revenue Fund and the Region I Transportation Fund due to receivables which had not yet been collected as of June 30, 2022. The General Fund interfund payable of \$172,719 is due to the Food Service Enterprise Fund for subsidy reimbursements which had not been remitted as of June 30, 2022.

NOTE 17. 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, 2022
(Continued)

NOTE 18. 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 19. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2022:

	<u>Governmental Funds</u>		District Contribution	Total Governmental Activities
	<u>General Fund</u>	<u>Special Revenue Fund</u>	Subsequent to Measurement Date	
Accrued Salaries and Wages	\$ 201,786			\$ 201,786
Vendors		\$ 20,967		20,967
Payroll Deductions and Withholdings	46,375			46,375
Due to State of New Jersey			\$ 648,695	648,695
	<u>\$ 248,161</u>	<u>\$ 20,967</u>	<u>\$ 648,695</u>	<u>\$ 917,823</u>

	<u>Proprietary Funds</u>		District Contribution	Total Business - Type Funds
	<u>Food Service</u>	<u>Region I Transportation</u>	Subsequent to Measurement Date	
Vendors	\$ 50,537	\$ 3,570		\$ 54,107
Due to State of New Jersey			\$ 36,305	36,305
	<u>\$ 50,537</u>	<u>\$ 3,570</u>	<u>\$ 36,305</u>	<u>\$ 90,412</u>

NOTE 20. CONTINGENCIES

Litigation

The Board is periodically involved in claims and lawsuits arising in the normal course of business. There is a pending lawsuit regarding a certain former employee of the District and third party. This case is in discovery and it cannot be determined at this point what the ultimate outcome of the lawsuit may be. However, there is possible exposure to the District between \$50,000 and \$500,000. There appears to be insurance coverage to offset that exposure.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 20. CONTINGENCIES (Cont'd)

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, 2022, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

Governmental Funds			
General Fund	Special Revenue	Capital Projects	Total
\$ 3,183,640	\$ 38,616	\$ 195,620	\$ 3,417,876

In the District's Governmental Funds Balance Sheet as of June 30, 2022, \$0- is assigned for encumbrances in the Special Revenue Fund, which is \$38,616 less than the actual encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund. The \$195,620 of fiscal year-end encumbrances in the Capital Projects Fund are included in the \$195,620 committed fund balance on a GAAP and budgetary basis at June 30, 2022.

NOTE 21. PRIOR YEAR ADJUSTMENT

GASB 87, *Leases*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the District made a prior year adjustment in the district-wide financial statements to record an intangible right-to-use asset and a lease liability as of June 30, 2021. The ending balances as of June 30, 2021 were restated due to this implementation as follows:

	Balance at June 30, 2021 as Previously Reported	Retroactive Adjustments	Balance at June 30, 2021 as Restated
<u>Statement of Net Position - Governmental Activities:</u>			
Assets:			
Lease Assets, Net	\$ -0-	\$ 964,079	\$ 964,079
Total Assets	45,542,016	964,079	46,506,095
Noncurrent Liabilities:			
Due Within One Year	1,494,170	725,219	2,219,389
Due Beyond One Year	15,524,412	328,850	15,853,262
Total Liabilities	18,535,828	1,054,069	19,589,897
Net Position:			
Net Investment in Capital Assets	18,126,052	(89,990)	18,036,062
Total Net Position	24,550,589	(89,990)	24,460,599

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 EIGHT 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	2022
District's proportion of the net pension liability	0.0606555673%	0.0594981727%	0.0580003919%
District's proportionate share of the net pension liability	\$ 10,929,213	\$ 9,702,596	\$ 6,871,016
District's covered employee payroll	\$ 4,331,687	\$ 4,214,133	\$ 4,397,847
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	252.31%	230.24%	156.24%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	58.32%	70.33%

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 EIGHT 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	2022
Contractually required contribution	\$ 591,839	\$ 650,880	\$ 679,252
Contributions in relation to the contractually required contribution	(591,839)	(650,880)	(679,252)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 4,214,133	\$ 4,397,847	\$ 4,327,014
Contributions as a percentage of covered employee payroll	14.04%	14.80%	15.70%

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 EIGHT 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	2022		
State's proportion of the net pension liability attributable to the District	0.2312923265%	0.2405763104%	0.2393637791%		
State's proportionate share of the net pension liability attributable the District	\$ 141,946,284	\$ 158,416,606	\$ 115,074,588		
District's covered employee payroll	\$ 26,033,263	\$ 27,021,314	\$ 27,898,674		
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%	412.47%		
Plan fiduciary net position as a percentage of the total pension liability	26.95%	24.60%	35.52%		

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 EIGHT 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	2022		
Contractually required contributor	\$ 8,372,371	\$ 9,851,019	\$ 2,707,756		
Contributions in relation to the contractually required contribution	<u>(5,276,760)</u>	<u>(6,958,016)</u>	<u>(9,973,066)</u>		
Contribution deficiency/(excess)	<u>\$ 3,095,611</u>	<u>\$ 2,893,003</u>	<u>\$ (7,265,310)</u>		
District's covered employee payroll	\$ 27,021,314	\$ 27,898,674	\$ 28,789,110		
Contributions as a percentage of covered employee payroll	19.53%	24.94%	34.64%		

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

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 FOUR FISCAL YEARS

	Fiscal Year Ending			
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Total OPEB Liability				
Service Cost	\$ 4,723,448	\$ 3,912,435	\$ 3,450,735	\$ 3,734,724
Interest	3,561,710	4,118,093	3,867,767	3,175,562
Difference Between Expected and Actual Experience		(8,860,523)	(15,610,147)	23,859,097
Changes in Assumptions	(14,902,456)	(11,222,184)	1,314,904	26,047,925
Member Contributions	95,838	90,376	80,247	75,245
Gross Benefit Payments	(2,602,711)	(2,614,938)	(2,707,137)	(2,482,530)
Net Change in Total OPEB Liability	(9,124,171)	(14,576,741)	(9,603,631)	54,410,023
Total OPEB Liability - Beginning	121,493,454	112,369,283	97,792,542	88,188,911
Total OPEB Liability - Ending	<u>\$ 112,369,283</u>	<u>\$ 97,792,542</u>	<u>\$ 88,188,911</u>	<u>\$ 142,598,934</u>
District's Covered Employee Payroll *	\$ 28,127,318	\$ 27,955,301	\$ 29,357,628	\$ 30,364,950
Total OPEB Liability as a Percentage of Covered Employee Payroll	400%	350%	300%	470%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2020 is based on the payroll on the June 30, 2016 - 2019 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, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

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, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%, a change of -1.29%.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. 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-2020.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

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 in the valuation as of June 30, 2020 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 66,295,864		\$ 66,295,864	\$ 66,295,864	\$ 507,114
Unrestricted Miscellaneous Revenues	15,000		15,000	522,114	6,503
Interest Earned on Capital Reserve Funds	100		100	6,603	(100)
Interest Earned on Maintenance Reserve Funds	100		100		(100)
Interest Earned on Emergency Reserve Funds	100		100		(100)
Other Restricted Miscellaneous Revenues	180,000		180,000	113,420	(66,580)
Total - Local Sources	66,491,164		66,491,164	66,938,001	446,837
State Sources:					
Transportation Aid	636,428		636,428	636,428	
Extraordinary Special Education Costs Aid	225,000		225,000	1,374,935	1,149,935
Special Education Categorical Aid	2,675,497		2,675,497	2,675,497	
Categorical Security Aid	59,339		59,339	59,339	
Nonpublic School Transportation Costs				48,186	48,186
On-Behalf TPAF Contributions (Non-Budgeted):					
Post-Retirement Medical Benefits				2,362,986	2,362,986
Pension				9,973,066	9,973,066
Non-Contributory Insurance				140,706	140,706
Long-Term Disability Insurance				3,378	3,378
Reimbursed TPAF Social Security (Non-Budgeted)				2,071,519	2,071,519
Total State Sources	3,596,264		3,596,264	19,346,040	15,749,776
Federal Sources:					
Medicaid Reimbursement (SEMI)	34,735		34,735	25,683	(9,052)
Total Federal Sources	34,735		34,735	25,683	(9,052)
TOTAL REVENUES	70,122,163		70,122,163	86,309,724	16,187,561

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 816,822	\$	\$ 816,822	\$ 735,594	\$ 81,228
Grades 1-5 - Salaries of Teachers	5,859,218	(49,482)	5,809,736	5,475,423	334,313
Grades 6-8 - Salaries of Teachers	3,906,807	(36,173)	3,870,634	3,825,758	44,876
Grades 9-12 - Salaries of Teachers	6,063,259	85,655	6,148,914	6,050,309	98,605
Regular Programs - Home Instruction:					
Salaries of Teachers	35,000	9,438	44,438	44,437	1
Purchased Professional - Educational Services	20,000	(8,682)	11,318	11,318	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	382,009	38,540	420,549	364,913	55,636
Purchased Professional - Educational Services	490,000	(789)	489,211	409,628	79,583
Other Purchased Services (400-500 series)	976,419	6,145	982,564	975,483	7,081
General Supplies	813,204	(24,316)	788,888	601,916	186,972
Textbooks	104,032	(3,944)	100,088	76,723	23,365
Other Objects	33,791	21,561	55,352	18,889	36,463
Total Regular Programs - Instruction	19,500,561	37,953	19,538,514	18,590,391	948,123
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	844,679	(113,449)	731,230	708,059	23,171
Other Salaries for Instruction	215,755	56,299	272,054	240,131	31,923
General Supplies	26,079	7,981	34,060	30,682	3,378
Textbooks	1,161	282	1,443	450	993
Total Learning and/or Language Disabilities	1,087,674	(48,887)	1,038,787	979,322	59,465

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	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	\$ 4,032,802	\$ 537,473	\$ 4,570,275	\$ 4,570,271	\$ 4
Other Salaries for Instruction	104,032	41,347	145,379	145,378	1
General Supplies	40,029	(10,762)	29,267	29,262	5
Textbooks	5,092	(2,928)	2,164	2,164	
Total Resource Room/Resource Center	4,181,955	565,130	4,747,085	4,747,075	10
Preschool Disabilities - Part-Time:					
Salaries of Teachers	194,860	36,064	230,924	230,924	
Other Salaries for Instruction	56,314	(17,668)	38,646	38,646	
General Supplies	3,313		3,313	3,097	216
Total Preschool Disabilities - Part-Time	254,487	18,396	272,883	272,667	216
Home Instruction:					
Salaries of Teachers	40,000	(1,091)	38,909		38,909
Purchased Professional - Educational Services	15,000	(9,126)	5,874		5,874
Total Home Instruction	55,000	(10,217)	44,783		44,783
Total Special Education Instruction	5,579,116	524,422	6,103,538	5,999,064	104,474
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,026,848	90,127	1,116,975	1,081,780	35,195
General Supplies	22,718	(1,323)	21,395	16,261	5,134
Textbooks	5,100		5,100	4,999	101
Total Basic Skills/Remedial - Instruction	1,054,666	88,804	1,143,470	1,103,040	40,430

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 239,716	\$ (18,772)	\$ 220,944	\$ 220,311	\$ 633
General Supplies	3,688	(20)	3,668	279	3,389
Total Bilingual Education - Instruction	243,404	(18,792)	224,612	220,590	4,022
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	450,000	49,758	499,758	499,756	2
Purchased Services (300-500 series)		4,000	4,000	4,000	
Supplies and Materials	16,500	(5,784)	10,716	9,071	1,645
Other Objects	28,400	(15,042)	13,358	13,357	1
Total School-Sponsored Cocurricular Activities - Instruction	494,900	32,932	527,832	526,184	1,648
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	589,081	32,561	621,642	621,641	1
Purchased Services (300-500 series)	152,606	(194)	152,412	128,245	24,167
Supplies and Materials	137,130	(2,979)	134,151	118,475	15,676
Other Objects	13,606	(246)	13,360	10,265	3,095
Total School-Sponsored Cocurricular Athletics - Instruction	892,423	29,142	921,565	878,626	42,939
Total Instruction	27,765,070	694,461	28,459,531	27,317,895	1,141,636

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 818,516	\$ 548,173	\$ 1,366,689	\$ 1,363,909	\$ 2,780
Tuition to County Vocational Schools - Regular	471,312	27,266	498,578	483,938	14,640
Tuition to County Vocational Schools - Special	32,994		32,994		32,994
Tuition to County Special Services Schools and Regional Day Schools	974,707	(110,746)	863,961	854,941	9,020
Tuition to Private Schools for the Disabled - Within the State	3,747,766	(1,484,244)	2,263,522	2,148,048	115,474
Tuition to Private Schools for the Disabled and Other LEA's - Outside the State	255,800	(54,670)	201,130	116,560	84,570
Tuition - State Facilities	28,613		28,613		28,613
Total Undistributed Expenditures - Instruction	6,329,708	(1,074,221)	5,255,487	4,967,396	288,091
Health Services:					
Salaries	568,906	132,627	701,533	700,903	630
Purchased Professional and Technical Services	29,500	16,427	45,927	45,927	
Supplies and Materials	11,363	2,854	14,217	13,014	1,203
Total Health Services	609,769	151,908	761,677	759,844	1,833
Speech, OT, PT and Related Services:					
Salaries	493,179	9,536	502,715	481,061	21,654
Purchased Professional - Educational Services	1,634,171	122,081	1,756,252	1,534,061	222,191
Supplies and Materials	8,000		8,000	5,267	2,733
Other Objects	10,000		10,000	6,767	3,233
Total - Speech, OT, PT and Related Services	2,145,350	131,617	2,276,967	2,027,156	249,811

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Other Support Services - Students - Extraordinary Services:					
Salaries	\$ 1,776,300	\$ (26,395)	\$ 1,749,905	\$ 1,748,711	\$ 1,194
Purchased Professional - Educational Services	777,000	201,240	978,240	828,105	150,135
Supplies and Materials		1,524	1,524	1,524	
Other Objects		4,132	4,132	4,131	1
Total Other Support Services - Students - Extraordinary Services	2,553,300	180,501	2,733,801	2,582,471	151,330
Guidance:					
Salaries of Other Professional Staff	918,581	(53,684)	864,897	864,893	4
Salaries of Secretarial and Clerical Assistants	108,000	(9,999)	98,001	98,000	1
Other Purchased Professional and Technical Services		9,426	9,426	9,394	32
Supplies and Materials	30,376	(4,182)	26,194	24,979	1,215
Other Objects	103,288	(5,037)	98,251	83,678	14,573
Total Guidance	1,160,245	(63,476)	1,096,769	1,080,944	15,825
Child Study Team:					
Salaries of Other Professional Staff	1,707,580	79,404	1,786,984	1,786,984	
Salaries of Secretarial and Clerical Assistants	116,750	1,765	118,515	118,515	
Other Purchased Services (400-500 series)	11,500	(3,275)	8,225	2,340	5,885
Supplies and Materials	16,550	(7,885)	8,665	8,280	385
Other Objects	5,000	(2,433)	2,567	1,765	802
Total Child Study Team	1,857,380	67,576	1,924,956	1,917,884	7,072

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	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	\$ 182,987	\$ (1,441)	\$ 181,546	\$ 164,096	\$ 17,450
Salaries of Other Professional Staff	1,318,335	(379)	1,317,956	1,259,734	58,222
Salaries of Secretarial and Clerical Assistants	57,000	119	57,119	57,119	
Other Salaries	50,000	17,797	67,797	61,571	6,226
Other Purchased Professional and Technical Services	56,590	(15,566)	41,024	26,721	14,303
Other Purchased Services (400-500 series)	5,250	(605)	4,645	1,756	2,889
Supplies and Materials	5,000	1,562	6,562	6,185	377
Other Objects	5,250	443	5,693	5,527	166
Total Improvement of Instructional Services	1,680,412	1,930	1,682,342	1,582,709	99,633
Educational Media Services/School Library:					
Salaries	394,663	35,124	429,787	394,278	35,509
Supplies and Materials	332,812	(34,930)	297,882	131,874	166,008
Other Objects	2,500	5,534	8,034	8,033	1
Total Educational Media Services/School Library	729,975	5,728	735,703	534,185	201,518
Instructional Staff Training Services:					
Other Salaries	10,000		10,000	7,996	2,004
Other Purchased Professional and Technical Services	34,100	(5,000)	29,100	26,652	2,448
Other Purchased Services (400-500 series)	15,000	2,650	17,650	9,305	8,345
Supplies and Materials	15,000	(15,000)			
Other Objects	13,200	(12,000)	1,200	234	966
Total Instructional Staff Training Services	87,300	(29,350)	57,950	44,187	13,763

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Support Services - General Administration:					
Salaries	\$ 296,202	\$ 1	\$ 296,203	\$ 291,201	\$ 5,002
Legal Services	100,000	89,893	189,893	132,387	57,506
Audit Fees	87,500	2,000	89,500	44,500	45,000
Architectural/Engineering Services	23,110	7,950	31,060	29,634	1,426
Other Purchased Professional Services	47,144	(6,461)	40,683	34,527	6,156
Purchased Technical Services	42,000	(24,950)	17,050	12,031	5,019
Communications/Telephone	196,000	(1)	195,999	168,626	27,373
BOE Other Purchased Services	10,000		10,000	900	9,100
General Supplies	8,000		8,000	1,006	6,994
BOE In-House Training/Meeting Supplies	4,000		4,000	2,800	1,200
Miscellaneous Expenditures	9,000		9,000	4,037	4,963
BOE Membership Dues and Fees	31,000		31,000	30,396	604
Total Support Services - General Administration	853,956	68,432	922,388	752,045	170,343
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,729,709	(158,687)	1,571,022	1,551,694	19,328
Salaries of Other Professional Staff		29,616	29,616	29,616	
Salaries of Secretarial and Clerical Assistants	794,068	(31,695)	762,373	705,102	57,271
Purchased Professional and Technical Services	10,000		10,000		10,000
Other Purchased Services (400-500 series)	5,000		5,000	1,316	3,684
Supplies and Materials	147,094	14,087	161,181	103,713	57,468
Other Objects	35,628	(3,500)	32,128	20,041	12,087
Total Support Services - School Administration	2,721,499	(150,179)	2,571,320	2,411,482	159,838

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Central Services:					
Salaries	\$ 832,940	\$ (77,596)	\$ 755,344	\$ 755,344	
Purchased Technical Services	162,500	3,349	165,849	165,849	
Miscellaneous Purchased Services (400-500 series)	7,000	(103)	6,897	2,855	\$ 4,042
Supplies and Materials	20,500	(4,264)	16,236	9,107	7,129
Miscellaneous Expenditures	17,000		17,000	10,940	6,060
Total Central Services	1,039,940	(78,614)	961,326	944,095	17,231
Administration Information Technology:					
Salaries	476,232	(16,725)	459,507	449,682	9,825
Purchased Professional Services	235,000	199,521	434,521	389,368	45,153
Other Purchased Services (400-500 series)	25,000	11,284	36,284	9,893	26,391
Supplies and Materials	369,489	(28,804)	340,685	298,397	42,288
Other Objects	5,000	(3,984)	1,016		1,016
Total Administration Information Technology	1,110,721	161,292	1,272,013	1,147,340	124,673
Required Maintenance for School Facilities:					
Salaries	509,916	(180)	509,736	509,736	
Cleaning, Repair and Maintenance Services	1,998,124	1,137,733	3,135,857	1,905,273	1,230,584
General Supplies	135,612	(4,572)	131,040	102,503	28,537
Total Required Maintenance for School Facilities	2,643,652	1,132,981	3,776,633	2,517,512	1,259,121

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 145,598	\$ (6,903)	\$ 138,695	\$ 138,693	\$ 2
Purchased Professional and Technical Services	2,079,239	119,009	2,198,248	2,135,968	62,280
Cleaning, Repair and Maintenance Services	414,722	(301,300)	113,422	86,248	27,174
Insurance	498,120	(48,817)	449,303	448,616	687
Miscellaneous Purchased Services	75,750	(23,368)	52,382	49,770	2,612
General Supplies	300,000	64,402	364,402	358,032	6,370
Energy (Natural Gas)	305,000	(14,660)	290,340	281,690	8,650
Energy (Electricity)	866,000	132,752	998,752	885,405	113,347
Total Custodial Services	4,684,429	(78,885)	4,605,544	4,384,422	221,122
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	468,295	(245,374)	222,921	178,367	44,554
Total Care and Upkeep of Grounds	468,295	(245,374)	222,921	178,367	44,554
Security:					
Purchased Professional and Technical Services	50,000	19,912	69,912	39,882	30,030
Cleaning, Repair and Maintenance Services	330,000	(164,101)	165,899	53,757	112,142
General Supplies	40,000	51,203	91,203	81,435	9,768
Total Security	420,000	(92,986)	327,014	175,074	151,940

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	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	\$ 395,827	\$ 3,583	\$ 399,410	\$ 399,410	
Other Than Between Home and School - Regular	50,000		50,000	42,011	\$ 7,989
Cleaning, Repair and Maintenance Services	15,000		15,000	7,950	7,050
Contracted Services:					
Aid in Lieu Payments - Nonpublic Schools	120,000	25,000	145,000	127,689	17,311
Between Home and School - Vendors	1,839,944	(181,995)	1,657,949	1,651,991	5,958
Other Than Between Home and School - Vendors	229,375	25,405	254,780	228,044	26,736
Special Education Students - Vendors	25,000	40,390	65,390	52,290	13,100
Regular Students - ESCs & CTSA's	260,000	(26,000)	234,000	232,538	1,462
Special Education Students - ESCs & CTSA's	1,705,000	329,267	2,034,267	2,034,267	
Miscellaneous Purchased Services	22,300	(1,000)	21,300	8,083	13,217
General Supplies	85,759	(20,000)	65,759	39,903	25,856
Total Student Transportation Services	4,748,205	194,650	4,942,855	4,824,176	118,679
Unallocated Benefits:					
Group Insurance	16,000		16,000	14,461	1,539
Social Security Contributions	652,797	31,474	684,271	684,271	
Other Retirement Contributions - PERS	667,060		667,060	643,048	24,012
Other Retirement Contributions - Regular	50,000		50,000	41,320	8,680
Workmen's Compensation	212,099		212,099	193,062	19,037
Health Benefits	8,902,700	(469,592)	8,433,108	6,818,471	1,614,637
Tuition Reimbursement	148,900	4,805	153,705	140,120	13,585
Other Employee Benefits	164,161		164,161	64,404	99,757
Unused Sick Payment to Terminated/Retired Staff	275,000		275,000	263,187	11,813
Total Unallocated Benefits	11,088,717	(433,313)	10,655,404	8,862,344	1,793,060

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	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				\$ 2,362,986	\$ (2,362,986)
Pension				9,973,066	(9,973,066)
Non-Contributory Insurance				140,706	(140,706)
Long-Term Disability Insurance				3,378	(3,378)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				2,071,519	(2,071,519)
Total On-Behalf and Reimbursed TPAF Contributions				14,551,655	(14,551,655)
Total Personal Services - Employee Benefits	\$ 11,088,717	\$ (433,313)	\$ 10,655,404	23,413,999	(12,758,595)
Total Undistributed Expenses	46,932,853	(149,783)	46,783,070	56,245,288	(9,462,218)
TOTAL GENERAL CURRENT EXPENSE	74,697,923	544,678	75,242,601	83,563,183	(8,320,582)
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Instruction		98,258	98,258	98,258	
Instructional Staff		124,930	124,930	124,592	338
Administration Information Technology	83,683		83,683	50,555	33,128
Required Maintenance for School Facilities	70,684	11,040	81,724	81,724	
Total Equipment	154,367	234,228	388,595	355,129	33,466
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	81,327	415,361	496,688	237,124	259,564
Construction Services	3,222,669	(145,430)	3,077,239	462,481	2,614,758
Buildings - Other than Lease Purchase Agreements		20,011	20,011	20,011	
Assessment for Debt Service on SDA Funding	79,684		79,684	79,684	
Total Facilities Acquisition and Construction Services	3,383,680	289,942	3,673,622	799,300	2,874,322
Assets Acquired Under Leases (non-budgeted):					
Regular Programs - Instruction				1,950,945	(1,950,945)
Total Assets Acquired Under Leases (non-budgeted)				1,950,945	(1,950,945)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
TOTAL CAPITAL OUTLAY	\$ 3,538,047	\$ 524,170	\$ 4,062,217	\$ 3,105,374	\$ 956,843
TOTAL EXPENDITURES	78,235,970	1,068,848	79,304,818	86,668,557	(7,363,739)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(8,113,807)	(1,068,848)	(9,182,655)	(358,833)	8,823,822
Other Financing Sources/(Uses):					
Leases (non-budgeted)				1,950,945	1,950,945
Transfer to Capital Projects Fund - Capital Reserve		(200,430)	(200,430)	(200,430)	
Total Other Financing Sources/(Uses)		(200,430)	(200,430)	1,750,515	1,950,945
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(8,113,807)	(1,269,278)	(9,383,085)	1,391,682	10,774,767
Fund Balance, July 1	20,954,968		20,954,968	20,954,968	
Fund Balance, June 30	\$ 12,841,161	\$ (1,269,278)	\$ 11,571,883	\$ 22,346,650	\$ 10,774,767
Recapitulation:					
Restricted:				\$ 1,183,574	
Excess Surplus				688,430	
Excess Surplus - Designated for Subsequent Year's Expenditures				8,637,603	
Capital Reserve				1,693,322	
Maintenance Reserve				508,900	
Emergency Reserve				776,835	
Unemployment Compensation					
Assigned:					
Year-End Encumbrances				3,183,640	
Designated for Subsequent Year's Expenditures				1,661,570	
Unassigned				4,012,776	
				22,346,650	
Reconciliation to Governmental Funds Statement (GAAP):			(250,703)		
June State Aid Payments not Recognized on GAAP Basis					
Fund Balance per Governmental Funds (GAAP)				\$ 22,095,947	

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 16,800	\$ 10,033	\$ 26,833	\$ 26,590	\$ (243)
Federal Sources	738,500	2,957,091	3,695,591	1,722,492	(1,973,099)
Local Sources		938,468	938,468	996,683	58,215
Total Revenues	755,300	3,905,592	4,660,892	2,745,765	(1,915,127)
EXPENDITURES:					
Instruction					
Personal Services - Salaries	95,251	185,513	280,764	50,428	230,336
Other Purchased Services		133,907	133,907	133,907	
Tuition	514,000	136,382	650,382	650,382	
General Supplies	11,000	3,711	14,711	14,711	
Textbooks	1,600	140	1,740	1,707	33
Other Objects	15,200	75,765	90,965	90,755	210
Total Instruction	637,051	535,418	1,172,469	941,890	230,579
Support Services					
Personal Services - Salaries	62,249	1,643,175	1,705,424	132,862	1,572,562
Personal Services - Employee Benefits	20,000	22,095	42,095	42,095	
Purchased Technical Services		104,741	104,741	7,298	97,443
Other Purchased Services	36,000	34,001	70,001	33,500	36,501
Supplies and Materials		27,959	27,959	1,146	26,813
Other Objects		9,444	9,444		9,444
Student Activities		827,689	827,689	827,689	
Scholarships Awarded		40,500	40,500	40,500	
Total Support Services	118,249	2,709,604	2,827,853	1,085,090	1,742,763
Facilities Acquisition:					
Buildings		660,570	660,570	660,570	
Total Facilities Acquisition		660,570	660,570	660,570	
Total Expenditures	755,300	3,905,592	4,660,892	2,687,550	1,973,342
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 58,215	\$ 58,215

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 86,309,724	\$ 2,745,765
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		
Current Year Encumbrances		(17,649)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	236,075	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(250,703)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 86,295,096</u>	<u>\$ 2,728,116</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 86,668,557	\$ 2,687,550
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, not in the Year the Supplies are Received for Financial Reporting Purposes		
Current Year Encumbrances		(17,649)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 86,668,557</u>	<u>\$ 2,669,901</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022 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, 2022

	<u>Elementary and Secondary Education Act - FY22 and FY21</u>				IDEA - Part B,
	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title IV</u>	<u>Basic Regular</u>
REVENUE:					
State Sources					
Federal Sources	\$ 196,866	\$ 33,500	\$ 5,623	\$ 14,711	\$ 617,592
Local Sources					
Total Revenue	<u>\$ 196,866</u>	<u>\$ 33,500</u>	<u>\$ 5,623</u>	<u>\$ 14,711</u>	<u>\$ 617,592</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	\$ 48,028		\$ 2,400		
Other Purchased Services					
Tuition					\$ 617,592
General Supplies				\$ 14,711	
Textbooks					
Other Objects					
Total Instruction	<u>48,028</u>		<u>2,400</u>	<u>14,711</u>	<u>617,592</u>
Support Services:					
Personal Services - Salaries	106,743		2,000		
Personal Services - Employee Benefits	42,095				
Purchased Technical Services			300		
Other Purchased Services		\$ 33,500			
Supplies and Materials			923		
Other Objects					
Student Activities					
Scholarships Awarded					
Total Support Services	<u>148,838</u>	<u>33,500</u>	<u>3,223</u>		
Facilities Acquisition:					
Buildings					
Total Facilities Acquisition					
Total Expenditures	<u>\$ 196,866</u>	<u>\$ 33,500</u>	<u>\$ 5,623</u>	<u>\$ 14,711</u>	<u>\$ 617,592</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	IDEA - Part B,	IDEA - Part B,	COVID-19	CARES
	Basic Preschool	Basic Regular - ARP	Basic Preschool - ARP	Emergency Relief
REVENUE:				
State Sources				
Federal Sources	\$ 32,790	\$ 123,362	\$ 10,545	\$ 223
Local Sources				
Total Revenue	\$ 32,790	\$ 123,362	\$ 10,545	\$ 223
EXPENDITURES:				
Instruction:				
Personal Services - Salaries				
Other Purchased Services		\$ 123,362	\$ 10,545	
Tuition	\$ 32,790			
General Supplies				
Textbooks				
Other Objects				
Total Instruction	32,790	123,362	10,545	
Support Services:				
Personal Services - Salaries				
Personal Services - Employee Benefits				
Purchased Technical Services				
Other Purchased Services				
Travel				
Supplies and Materials				\$ 223
Student Activities				
Scholarships Awarded				
Total Support Services				223
Facilities Acquisition:				
Buildings				
Total Facilities Acquisition				
Total Expenditures	\$ 32,790	\$ 123,362	\$ 10,545	\$ 223

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	COVID-19 CRRSA		COVID-19 ARP	NJ Nonpublic	
	ESSER II	Learning Acceleration	Evidence-Based Summer Learning and Enrichment Activities	Teacher's STEM	Technology
REVENUE:					
State Sources				\$ 4,407	\$ 1,181
Federal Sources	\$ 660,570	\$ 6,998	\$ 19,712		
Local Sources					
Total Revenue	<u>\$ 660,570</u>	<u>\$ 6,998</u>	<u>\$ 19,712</u>	<u>\$ 4,407</u>	<u>\$ 1,181</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries					
Other Purchased Services					
Tuition					
General Supplies					
Textbooks					
Other Objects					\$ 1,181
Total Instruction					<u>1,181</u>
Support Services:					
Personal Services - Salaries			\$ 19,712	\$ 4,407	
Personal Services - Employee Benefits					
Purchased Technical Services		\$ 6,998			
Other Purchased Services					
Supplies and Materials					
Student Activities					
Scholarships Awarded					
Total Support Services		<u>6,998</u>	<u>19,712</u>	<u>4,407</u>	
Facilities Acquisition:					
Buildings	\$ 660,570				
Total Facilities Acquisition	<u>660,570</u>				
Total Expenditures	<u>\$ 660,570</u>	<u>\$ 6,998</u>	<u>\$ 19,712</u>	<u>\$ 4,407</u>	<u>\$ 1,181</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<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	\$ 1,652	\$ 2,086	\$ 6,510	\$ 5,463	\$ 1,707
Federal Sources					
Local Sources					
Total Revenue	<u>\$ 1,652</u>	<u>\$ 2,086</u>	<u>\$ 6,510</u>	<u>\$ 5,463</u>	<u>\$ 1,707</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries					
Other Purchased Services					
Tuition					
General Supplies					
Textbooks					\$ 1,707
Other Objects	\$ 1,652	\$ 2,086	\$ 6,510	\$ 5,463	
Total Instruction	<u>1,652</u>	<u>2,086</u>	<u>6,510</u>	<u>5,463</u>	<u>1,707</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					
Facilities Acquisition:					
Buildings					
Total Facilities Acquisition					
Total Expenditures	<u>\$ 1,652</u>	<u>\$ 2,086</u>	<u>\$ 6,510</u>	<u>\$ 5,463</u>	<u>\$ 1,707</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<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, 2022</u>
REVENUE:					
State Sources	\$ 3,584				\$ 26,590
Federal Sources					1,722,492
Local Sources		\$ 877,337	\$ 49,067	\$ 70,279	996,683
Total Revenue	<u>\$ 3,584</u>	<u>\$ 877,337</u>	<u>\$ 49,067</u>	<u>\$ 70,279</u>	<u>\$ 2,745,765</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries					\$ 50,428
Other Purchased Services					133,907
Tuition					650,382
General Supplies					14,711
Textbooks					1,707
Other Objects	\$ 3,584			\$ 70,279	90,755
Total Instruction	<u>3,584</u>			<u>70,279</u>	<u>941,890</u>
Support Services:					
Personal Services - Salaries					132,862
Personal Services - Employee Benefits					42,095
Purchased Technical Services					7,298
Other Purchased Services					33,500
Supplies and Materials					1,146
Student Activities		\$ 827,689			827,689
Scholarships Awarded			\$ 40,500		40,500
Total Support Services		<u>827,689</u>	<u>40,500</u>		<u>1,085,090</u>
Facilities Acquisition:					
Buildings					660,570
Total Facilities Acquisition					<u>660,570</u>
Total Expenditures	<u>\$ 3,584</u>	<u>\$ 827,689</u>	<u>\$ 40,500</u>	<u>\$ 70,279</u>	<u>\$ 2,687,550</u>

CAPITAL PROJECTS FUND

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	<u>\$ 200,430</u>
Total Revenue and Other Financing Sources	<u>200,430</u>
Expenditures:	
Construction Services	<u>4,810</u>
Total Expenditures	<u>4,810</u>
Excess of Revenue and Other Financing Sources Over Expenditures	195,620
Fund Balance - Beginning	<u>-0-</u>
Fund Balance - Ending	<u><u>\$ 195,620</u></u>
<u>Recapitulation of Fund Balance at June 30, 2022:</u>	
Committed - Year-End Encumbrances	<u>\$ 195,620</u>
Fund Balance per Governmental Funds (Budgetary Basis and GAAP Basis)	<u><u>\$ 195,620</u></u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
JOYCE KILMER SCHOOL HVAC RENOVATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 200,430	\$ 200,430	\$ 200,430
Total Revenue and Other Financing Sources	\$ -0-	200,430	200,430	200,430
Expenditures:				
Construction Services		4,810	4,810	200,430
Total Expenditures	-0-	4,810	4,810	200,430
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ -0-	\$ 195,620	\$ 195,620	\$ -0-

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -0-
Bonds Issued	\$ -0-
Original Authorized Cost	\$ 200,430
Change Orders	\$ -0-
Revised Authorized Cost	\$ 200,430
Change Order Percentage	0.00%
Percentage Completion	2.40%
Original Target Completion Date	Fall 2022
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

	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	\$	658,528	\$	34,777	\$	284,239	\$
Receivable from:							
Federal Government				102,643	102,643		102,643
State Government				2,362	2,362		2,362
Other Governmental Units	\$	1,452,152	12,374	172,719	172,719	1,464,526	1,464,526
Interfund Receivable - General Fund				39,068	39,068		39,068
Inventories							
Total Current Assets	1,452,152	670,902	34,777	601,031	635,808	2,157,831	2,758,862
Non-Current Assets:							
Capital Assets				478,657	478,657		478,657
Less: Accumulated Depreciation				(361,239)	(361,239)		(361,239)
Total Non-Current Assets				117,418	117,418		117,418
Total Assets	1,452,152	670,902	34,777	718,449	753,226	2,157,831	2,876,280
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred Outflows Related to Pensions		49,316				49,316	49,316
Total Deferred Outflows of Resources		49,316				49,316	49,316

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

	Business-Type Activities - Enterprise Funds							Total Enterprise Funds
	Major Funds			Non-Major Funds				
	Region I Transportation	Administration	Region I Summer School	Food Service	Non-Major Funds	Total Region I	Total	
LIABILITIES:								
Current Liabilities:								
Interfund Payable - General Fund	\$ 1,447,140					\$ 1,447,140	\$ 1,447,140	\$ 1,447,140
Accounts Payable	3,570	\$ 36,305		\$ 50,537	\$ 50,537	39,875	90,412	90,412
Unearned Revenue:								
Prepaid Student Balances				33,986	33,986		33,986	33,986
Commodities				11,263	11,263		11,263	11,263
Noncurrent Liabilities:								
Due Beyond One Year		364,164				364,164	364,164	364,164
Total Liabilities	1,450,710	400,469		95,786	95,786	1,851,179	1,946,965	1,946,965
DEFERRED INFLOWS OF RESOURCES:								
Deferred Inflows Related to Pensions		255,246				255,246	255,246	255,246
Total Deferred Inflows of Resources		255,246				255,246	255,246	255,246
NET POSITION:								
Investment in Capital Assets				117,418	117,418		117,418	117,418
Unrestricted	1,442	64,503	\$ 34,777	505,245	540,022	100,722	605,967	605,967
Total Net Position	\$ 1,442	\$ 64,503	\$ 34,777	\$ 622,663	\$ 657,440	\$ 100,722	\$ 723,385	\$ 723,385

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, 2022

	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	Total Enterprise Funds
Operating Revenue:							
Charges for Services:							
Daily Sales:							
Non-Reimbursable Programs			\$ 178,399	\$ 178,399	\$ 178,399	\$ 178,399	\$ 178,399
Program Fees	\$ 406,850				\$ 406,850	\$ 406,850	\$ 406,850
Transportation Fees from Other LEA's Within the State							
Special Events							
Total Operating Revenue	\$ 14,147,656			178,399	14,147,656	14,147,656	14,147,656
	14,147,656	406,850	1,242	1,242	14,554,506	14,732,905	1,242
	14,147,656	406,850	179,641	179,641	14,554,506	14,734,147	
Operating Expenses:							
Cost of Sales:							
Reimbursable			568,014	568,014		568,014	
Non-Reimbursable			77,366	77,366		77,366	
Total Cost of Sales			645,380	645,380		645,380	
Salaries, Benefits & Payroll Taxes		200,719	432,928	432,928	200,719	633,647	
Contracted Services	14,146,214		47,925	47,925	14,146,214	14,194,139	
Purchased Professional/Technical Services		1,239			1,239	1,239	
Purchased Property Services			28,940	28,940		28,940	
Other Purchased Services		917	1,360	1,360	917	2,277	
Supplies and Materials			68,931	68,931		68,931	
Rent		37,500			37,500	37,500	
General Supplies		13,968			13,968	13,968	
Miscellaneous Expenses		7,314	14,363	14,363	7,314	21,677	
Depreciation Expense			24,953	24,953		24,953	
Total Operating Expenses	14,146,214	261,657	1,264,780	1,264,780	14,407,871	15,672,651	

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds						
	Major Funds			Non-Major Funds			
	Region I	Region I Summer School	Food Service	Total Non-Major Funds	Total Region I	Total Enterprise Funds	Total
Operating Income/(Loss)	\$ 1,442	\$ 145,193	\$ - 0 -	\$ (1,085,139)	\$ (1,085,139)	\$ 146,635	\$ (938,504)
Non-Operating Revenue:							
Federal Sources:							
National School Lunch Program:							
COVID-19 Seamless Summer Option			1,187,545	1,187,545			1,187,545
COVID-19 - Emergency Operational Cost							
Reimbursement Program			25,715	25,715			25,715
COVID-19 Pandemic EBT Food Benefits			1,242	1,242			1,242
Food Distribution Program			36,667	36,667			36,667
State Sources:							
School Lunch Program:							
COVID-19 Seamless Summer Option			27,941	27,941			27,941
Local Sources - Interest Revenue			64	64			64
Total Non-Operating Revenue			1,279,174	1,279,174			1,279,174
Change in Net Position Before Transfer and Other Item	1,442	145,193		194,035	146,635		340,670
Transfer	(266,175)	266,175					
Other Item - Disposal of Capital Assets, Net			(9,503)	(9,503)			(9,503)
Change in Net Position	(264,733)	411,368		184,532	146,635		331,167
Net Position/(Deficit) - Beginning of Year	266,175	(346,865)	34,777	472,908	(45,913)		392,218
Net Position - End of Year	\$ 1,442	\$ 64,503	\$ 34,777	\$ 622,663	\$ 100,722		\$ 723,385

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds					
	Major Funds			Non-Major Funds		
	Region I	Administration	Region I Summer School	Food Service	Non-Major Funds	Total Enterprise Funds
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 13,822,653	\$ 406,735		\$ 163,322	\$ 163,322	\$ 14,392,710
Payments to/for Employees		(332,550)			(332,550)	(332,550)
Payments to Food Service Vendor				(1,196,436)	(1,196,436)	(1,196,436)
Payments to Transportation Vendors					(14,142,644)	(14,142,644)
Payments to Suppliers		(65,337)		(9,260)	(9,260)	(74,597)
Net Cash Provided by/(Used for) Operating Activities	(319,991)	8,848	- 0 -	(1,042,374)	(1,042,374)	(1,353,517)
Cash Flows from Investing Activities:						
Interest Income				64	64	64
Net Cash Provided by Investing Activities				64	64	64
Cash Flows from Noncapital and Related Financing Activities:						
Federal Subsidy Reimbursements Collected in Food Service Fund				1,055,289	1,055,289	1,055,289
State Subsidy Reimbursements Collected in Food Service Fund				27,416	27,416	27,416
Emergency Operational Cost Program Collected in Food Service Fund				25,715	25,715	25,715
Pandemic EBT Food Benefits Collected in Food Service Fund				614	614	614
Cash Received - Interfund Payable - General Fund Transfer	586,166	266,175				586,166
Net Cash Provided by Noncapital and Related Financing Activities	319,991	266,175		1,109,034	1,109,034	1,695,200
Cash Flows from Capital and Related Financing Activities:						
Purchase of Capital Assets				(21,600)	(21,600)	(21,600)
Net Cash Used for Capital and Related Financing Activities				(21,600)	(21,600)	(21,600)
Net Increase/(Decrease) in Cash and Cash Equivalents	- 0 -	275,023	- 0 -	45,124	45,124	320,147
Cash and Cash Equivalents, July 1	- 0 -	383,505	34,777	239,115	273,892	657,397
Cash and Cash Equivalents, June 30	\$ - 0 -	\$ 658,528	\$ 34,777	\$ 284,239	\$ 319,016	\$ 977,544

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds					
	Major Funds			Non-Major Funds		
	Region I	Administration	Region I Summer School	Food Service	Non-Major Funds	Total Enterprise Funds
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Operating Income/(Loss)	\$ 1,442	\$ 145,193	\$ - 0 -	\$ (1,085,139)	\$ (1,085,139)	\$ (938,504)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation				24,953	24,953	24,953
Federal Food Distribution Program				36,667	36,667	36,667
Changes in Assets and Liabilities:						
(Increase)/Decrease in:						
Deferred Inflows and Outflows Related to Pensions		47,350				47,350
Interfund Receivable				(1,242)	(1,242)	(1,242)
Receivable from Other Governmental Units	(325,003)	(115)		(7,249)	(7,249)	(325,118)
Inventory						(7,249)
Net Pension Liability		(179,181)				(179,181)
Accounts Payable	3,570	(4,399)		882	882	(829)
Unearned Revenue - Donated Commodities				3,831	3,831	3,831
Unearned Revenue - Prepaid Student Balances				(15,077)	(15,077)	(15,077)
Net Cash Provided by/(Used for) Operating Activities	\$ (319,991)	\$ 8,848	\$ - 0 -	\$ (1,042,374)	\$ (1,042,374)	\$ (311,143)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received commodities from the Federal Food Distribution Program valued at \$40,498 and utilized commodities from the Federal Food Distribution Program valued at \$36,667 for the fiscal year ended June 30, 2022.

**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 Outstanding		Interest Rate	Balance July 1, 2021	Retired/Matured	Balance June 30, 2022
			Date	Amount				
School Refunding Bonds	10/05/11	\$ 5,550,000	08/15/22	\$ 605,000	5.00%	\$ 1,750,000	\$ 600,000	\$ 1,150,000
			08/15/23	545,000	5.00%			
School Refunding Bonds	07/15/20	1,317,000	09/15/22	470,000	1.067%	1,265,000	795,000	470,000
						<u>\$ 3,015,000</u>	<u>\$ 1,395,000</u>	<u>\$ 1,620,000</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOT APPLICABLE

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LEASES

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Restated Balance July 1, 2021</u>	<u>Issued</u>	<u>Retired/ Matured</u>	<u>Balance July 1, 2022</u>
HP Computers	0.00%	\$ 1,927,237	\$ 642,413		\$ 642,413	
Savin Copiers	3.40%	438,640	411,656		82,806	\$ 328,850
HP Computers	0.00%	1,950,945	<u> </u>	<u>\$ 1,950,945</u>	<u> </u>	<u>1,950,945</u>
			<u>\$ 1,054,069</u>	<u>\$ 1,950,945</u>	<u>\$ 725,219</u>	<u>\$ 2,279,795</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,473,757		\$ 1,473,757	\$ 1,473,757	
Total Revenues	1,473,757		1,473,757	1,473,757	
EXPENDITURES:					
Regular Debt Service:					
Interest	78,757		78,757	78,756	\$ 1
Redemption of Principal	1,395,000		1,395,000	1,395,000	
Total Regular Debt Service	1,473,757		1,473,757	1,473,756	1
Total Expenditures	1,473,757		1,473,757	1,473,756	1
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-0-		-0-	1	1
Fund Balance, July 1	3,694		3,694	3,694	
Fund Balance, June 30	\$ 3,694	\$ -0-	\$ 3,694	\$ 3,695	\$ 1
<u>Recapitulation of Fund Balance at June 30, 2022:</u>					
Restricted				\$ 1	
Restricted - Subsequent Year's Budget				3,694	
				<u>\$ 3,695</u>	

STATISTICAL SECTION
(UNAUDITED)

This part of the District’s annual comprehensive 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 annual comprehensive 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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 27,507,927
Special Education	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	9,087,977
Other Special Instruction	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	1,940,767
Other Instruction	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	1,959,727
Support Services:										
Tuition	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	5,617,778
Student & Instruction Related Services	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	15,491,633
General Administrative Services	1,638,448	1,439,456	1,720,600	1,927,941	1,009,474	953,025	915,175	827,184	1,173,288	1,017,683
School Administrative Services	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	3,503,569
Central Services	838,088	967,967	799,771	764,078	1,230,828	1,318,961	1,300,621	1,339,881	1,470,159	1,322,551
Administrative Information Technology	866,024	1,014,923	874,769	836,111	1,432,968	1,208,834	1,155,823	1,232,681	1,197,574	1,381,281
Plant Operations and Maintenance	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	8,506,120
Pupil Transportation	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	5,088,122
Charter Schools	51,863									
Interest on Long-term Debt	737,273	658,940	583,489	506,456	413,289	314,064	257,711	200,323	96,850	56,480
Unallocated Depreciation					357,063	371,141	523,495	536,195	581,268	626,875
Total Governmental Activities Expenses	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	83,108,490
Business-Type Activities:										
Food Service	1,033,906	992,627	1,014,778	983,105	998,918	1,041,801	1,110,326	862,192	628,947	1,264,780
Region I Transportation					10,904,780	11,485,575	12,200,760	12,020,071	10,249,134	14,146,214
Region I Administration					391,031	360,853	462,092	434,044	368,878	261,657
Region I Summer School					145,766	126,473	130,962	100,741	375	
Total Business-Type Activities Expenses	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	15,672,651
Total District-Wide Expenses	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	98,781,141
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Student & Instruction Related Services	8,649,222	7,911,541	7,529,294	7,817,464	22,362,904	23,796,580	19,258,386	17,020,657	20,964,399	18,496,346
Operating Grants and Contributions					(400,795)	(30)				
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	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	19,373,683

TOWNSHIP OF MAHWAH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 814,373	\$ 822,951	\$ 818,289	\$ 803,214	\$ 816,221	\$ 847,654	\$ 930,170	\$ 636,214	\$ 5,547	\$ 179,641
Region I Transportation					10,783,657	11,556,620	12,193,458	12,012,030	10,242,343	14,147,656
Region I Administration					398,961	410,630	412,399	388,442	403,590	406,850
Region I Summer School					145,837	126,474	120,697	117,332		
Operating Grants and Contributions	200,523	195,209	190,304	207,713	208,802	193,615	203,054	148,136	663,415	1,279,110
Total Business-Type Activities Revenues	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	16,013,257
Total District-Wide Program Revenues	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	35,386,940
Net (Expense)/Revenue:										
Governmental Activities	(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)	(63,734,807)
Business-type Activities	(19,010)	25,533	(6,185)	27,822	(87,017)	120,291	(44,362)	(114,894)	67,561	340,606
Total District-Wide Net (Expense)/Revenue	(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)	(63,394,201)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	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	66,295,864
Taxes Levied for Debt Service	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	1,473,757
Unrestricted Grants and Contributions	(246,259)	1,214,071	171,132	153,130	198,014	187,178	102,848	90,561	105,075	85,477
Investment Earnings	23,550	24,501	27,025	33,006	60,580	133,980	222,516	184,093	51,031	26,279
Miscellaneous Income	371,215	300,331	323,407	312,600	282,719	656,671	200,352	287,880	567,669	615,858
Adjustment to Capital Assets	(238,103)	(905,334)	157,512	(77,364)	(42,332)					
Transfers				(2,600)						
Total Governmental Activities General Revenues and Other Changes in Net Position	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	68,497,235
Business-type Activities:										
Miscellaneous	19	5	40	41	69	188	482	2,005	468	64
Disposal of Capital Assets, Net of Depreciation						(9,624)	(14,429)			(9,503)
Transfers				2,600	42,332					
Total Business-type Activities General Revenues and Other Changes in Net Position	19	5	40	2,641	42,401	(9,436)	(13,947)	2,005	468	(9,439)
Total District-Wide General Revenues and Other Changes in Net Position	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	68,487,796
Change in Net Position:										
Governmental Activities	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	4,762,428
Business-Type Activities	(18,991)	25,538	(6,145)	30,463	(44,616)	110,855	(58,309)	(112,889)	68,029	331,167
Total District-Wide Change in Net Position	\$ 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	\$ 5,093,595

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,				
	2013	2014	2015	2016	2017
General Fund:					
Restricted	\$ 11,005,171	\$ 10,729,477	\$ 10,030,982	\$ 11,758,284	\$ 13,838,079
Assigned	2,214,537	1,693,206	1,739,430	3,303,770	2,112,932
Unassigned	1,227,583	1,409,922	1,399,188	1,295,670	1,408,419
Total General Fund	<u>\$ 14,447,291</u>	<u>\$ 13,832,605</u>	<u>\$ 13,169,600</u>	<u>\$ 16,357,724</u>	<u>\$ 17,359,430</u>
All Other Governmental Funds:					
Restricted/(Deficit)	\$ (49,647)	\$ 1,037,328	\$ 1,030,795	\$ 1,015,458	\$ 763
Assigned			254,543		613,102
Total All Other Governmental Funds	<u>\$ (49,647)</u>	<u>\$ 1,037,328</u>	<u>\$ 1,285,338</u>	<u>\$ 1,015,458</u>	<u>\$ 613,865</u>
Total Governmental Funds	<u>\$ 14,397,644</u>	<u>\$ 14,869,933</u>	<u>\$ 14,454,938</u>	<u>\$ 17,373,182</u>	<u>\$ 17,973,295</u>

	June 30,				
	2018	2019	2020	2021	2022
General Fund:					
Restricted	\$ 11,001,536	\$ 11,294,771	\$ 13,303,620	\$ 15,077,176	\$ 13,488,664
Assigned	5,972,900	2,770,401	2,602,245	2,367,768	4,845,210
Unassigned	1,508,249	1,903,627	1,707,065	3,273,949	3,762,073
Total General Fund	<u>\$ 18,482,685</u>	<u>\$ 15,968,799</u>	<u>\$ 17,612,930</u>	<u>\$ 20,718,893</u>	<u>\$ 22,095,947</u>
All Other Governmental Funds:					
Restricted/(Deficit)	\$ 2,153	\$ 1,708	\$ 1,351,581	3,061,127	3,119,343
Committed					195,620
Total All Other Governmental Funds	<u>\$ 2,153</u>	<u>\$ 1,708</u>	<u>\$ 1,351,581</u>	<u>\$ 3,061,127</u>	<u>\$ 3,314,963</u>
Total Governmental Funds	<u>\$ 18,484,838</u>	<u>\$ 15,970,507</u>	<u>\$ 18,964,511</u>	<u>\$ 23,780,020</u>	<u>\$ 25,410,910</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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Tax Levy	\$ 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	\$ 67,769,621
Interest Earnings	23,550	24,501	27,025	33,006	60,135	133,980	222,516	184,093	51,031	26,279
Miscellaneous	371,215	300,332	323,407	312,600	283,164	656,671	200,352	287,880	565,884	615,858
Local Sources	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	19,356,853
State Sources	1,027,792	897,500	1,043,940	1,041,441	1,005,075	910,519	981,616	959,886	1,369,664	1,731,675
Federal Sources	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	90,496,969
Total Revenues										
	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	18,672,458
Regular Instruction	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	6,208,358
Special Education Instruction	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	1,323,630
Other Special Instruction	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	1,404,810
Other Instruction	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	5,617,778
Tuition	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	11,596,968
Student & Instruction Related Services	698,958	749,061	823,890	639,864	656,200	672,130	644,677	608,106	913,127	752,045
General Administrative Services	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	2,411,482
School Administrative Services	838,088	967,967	799,771	764,078	823,658	817,389	810,585	888,311	965,324	944,095
Central Services	866,024	1,014,923	874,769	836,111	1,085,866	744,964	852,662	972,184	926,001	1,147,340
Administrative Information Technology	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	7,255,375
Plant Operations and Maintenance	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	4,824,176
Pupil Transportation	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	23,413,999
Unallocated Benefits	51,863									
Charter Schools	304,573	1,901,469	2,082,613	936,353	844,002	1,417,545	4,718,233	2,717,417	1,419,610	3,770,754
Capital Outlay	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	1,395,000
Debt Service:	767,985	690,060	613,355	537,137	455,387	366,775	293,469	236,650	122,091	78,756
Principal										
Interest and Other Charges	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	90,817,024
Total Expenditures										

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,284,395	\$ 472,289	\$ (414,995)	\$ 2,920,844	\$ 642,445	\$ 511,543	\$ (2,514,331)	\$ 959,034	\$ 4,813,724	\$ (320,055)
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 Leases (Non-Budgeted)									(31,500)	
Transfers In	540	375,144	1,556,028	317	445	614,779				1,950,945
Transfers Out	(540)	(375,144)	(1,556,028)	(2,917)	(42,777)	(614,779)				200,430
Total Other Financing Sources (Uses)				(2,600)	(42,332)				1,785	1,950,945
Net Change in Fund Balances	\$ 2,284,395	\$ 472,289	\$ (414,995)	\$ 2,918,244	\$ 600,113	\$ 511,543	\$ (2,514,331)	\$ 959,034	\$ 4,815,509	\$ 1,630,890

Debt Service as a Percentage of Noncapital Expenditures	4.27%	4.08%	4.01%	3.98%	3.58%	3.32%	2.18%	2.10%	1.96%	1.64%
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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)

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Rentals</u>	<u>Other</u>	<u>Total</u>
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
2022	26,279	272,347	113,420	230,091	642,137

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)
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
2021	75,400,700	4,460,013,800	17,566,540	809,206,000	373,091,400	49,592,700	5,784,871,140	- 0 -	5,784,871,140	1.1619	6,459,989,176

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

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

Source: Municipal Tax Assessor.

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	
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
2021	1.1366	0.0253	1.162	0.509	0.280	1.951

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	
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-
2022	67,769,621	67,769,621	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 Anticipation Notes (BANs)				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Leases		Leases	School Facilities Loans			Leases				
2013	\$ 17,147,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 17,147,000	0.91%	\$ 656
2014	15,197,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	15,197,000	0.81%	580
2015	13,202,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	13,202,000	0.68%	503
2016	11,177,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	11,177,000	0.55%	425
2017	9,117,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	9,117,000	0.44%	347
2018	7,085,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	7,085,000	0.33%	269
2019	5,750,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,750,000	0.26%	219
2020	4,390,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,390,000	0.19%	168
2021	3,015,000	-0-	1,054,069 *	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,069,069	0.17%	156
2022	1,620,000	-0-	2,279,795	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,899,795	0.17%	154

* - Restated

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		Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation Bonds	Deductions			
2013	\$ 17,147,000	\$ -0-	\$ 17,147,000	0.301%	\$ 729
2014	15,197,000	-0-	15,197,000	0.268%	654
2015	13,202,000	-0-	13,202,000	0.234%	579
2016	11,177,000	-0-	11,177,000	0.197%	502
2017	9,117,000	-0-	9,117,000	0.160%	426
2018	7,085,000	-0-	7,085,000	0.124%	346
2019	5,750,000	-0-	5,750,000	0.101%	270
2020	4,390,000	-0-	4,390,000	0.076%	219
2021	3,015,000	-0-	3,015,000	0.052%	168
2022	1,620,000	-0-	1,620,000	0.028%	119

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, 2021
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Mahwah Township	\$ 34,854,013	100.00%	\$ 34,854,013
Bergen County General Obligation Debt	839,785,818	3.47%	<u>29,113,010</u>
Subtotal, Overlapping Debt			63,967,023
Mahwah Township School District Direct Debt			<u>1,620,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 65,587,023</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 2022

Year Ended December 31,	Equalized Valuation Basis
2019	6,344,964,423
2020	6,431,157,664
2021	6,507,166,637
	<u>\$ 19,283,288,724</u>
Average Equalized Valuation of Taxable Property	<u>\$ 6,427,762,908</u>
Debt Limit (4% of Average Equalization Value) ^a	\$ 257,110,516
Net Bonded School Debt	<u>1,620,000</u>
Legal Debt Margin	<u>\$ 255,490,516</u>

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt Limit	\$ 258,653,452	\$ 247,028,578	\$ 240,588,360	\$ 236,223,123	\$ 237,872,690
Total Net Debt Applicable to Limit	<u>17,147,000</u>	<u>15,197,000</u>	<u>13,202,000</u>	<u>11,177,000</u>	<u>9,117,000</u>
Legal Debt Margin	<u>\$ 241,506,452</u>	<u>\$ 231,831,578</u>	<u>\$ 227,386,360</u>	<u>\$ 225,046,123</u>	<u>\$ 228,755,690</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.63%	6.15%	5.49%	4.73%	3.83%

	Fiscal Year				
	2018	2019	2020	2021	2022
Debt Limit	\$ 239,477,464	\$ 241,588,749	\$ 246,088,778	\$ 250,947,213	\$ 257,110,516
Total Net Debt Applicable to Limit	<u>7,085,000</u>	<u>5,750,000</u>	<u>4,390,000</u>	<u>3,015,000</u>	<u>1,620,000</u>
Legal Debt Margin	<u>\$ 232,392,464</u>	<u>\$ 235,838,749</u>	<u>\$ 241,698,778</u>	<u>\$ 247,932,213</u>	<u>\$ 255,490,516</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.96%	2.38%	1.78%	1.20%	0.63%

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
2013	26,204	\$ 71,286	\$ 1,867,978,344	6.4%
2014	26,229	73,883	1,937,877,207	5.1%
2015	26,280	77,323	2,032,048,440	4.4%
2016	26,266	78,836	2,070,706,376	4.1%
2017	26,354	81,024	2,135,306,496	3.6%
2018	26,283	85,191	2,239,075,053	3.2%
2019	26,202	88,241	2,312,090,682	2.7%
2020	26,078	91,972	2,398,445,816	7.9%
2021	25,256	91,972 *	2,322,844,832 *	5.1%
2022	25,256 *	91,972 *	2,322,844,832 *	N/A

* - Latest Bergen County per capita personal income (2020) and population data (2021) available were 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

Employer	2021		Percentage of Total Employment
	Employees	Rank	
Hackensack University Medical Center	9,000	1	0.025684638
Valley Health Systems, Inc.	4,660	2	1.33%
Bio-Reference Laboratories	2,900	3	0.83%
Express Scripts	2,676	4	0.76%
Quest Diagnostics	2,700	5	0.77%
KPMG LLP	2,100	6	0.60%
Englewood Hospital and Medical	2,002	7	0.57%
Englewood Hospital Home Health Care	1,985	8	0.57%
Unilever Best Foods	N/A	9	N/A
Stryker	N/A	10	N/A
	28,023		8.00%
Total Employment	350,404		

Employer	2012		Percentage of Total Employment
	Employees	Rank (Optional)	
Hackensack University Medical Center	N/A	1	N/A
Valley Health Systems, Inc.	N/A	2	N/A
Bio-Reference Laboratories	N/A	3	N/A
Express Scripts	N/A	4	N/A
Quest Diagnostics	N/A	5	N/A
KPMG LLP	N/A	6	N/A
Englewood Hospital and Medical	N/A	7	N/A
Englewood Hospital Home Health Care	N/A	8	N/A
Unilever Best Foods	N/A	9	N/A
Stryker	N/A	10	N/A
	-		0.00%
Total Employment	343,012		

Source: Bergen County Economic Development Corporation

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction:					
Regular	211	216	222	216	216
Special Education/Other Special Instruction	71	81	78	84	84
Other Instruction	13	15	17	10	8
Support Services:					
Student & Instruction Related Services	97	101	93	98	102
School Administrative Services	27	29	26	26	25
General Administrative Services	2	2	2	3	3
Central Services	7	8	8	8	9
Administration Information Technology	4	4	4	4	5
Plant Operations and Maintenance	9	9	9	9	8
Pupil Transportation	6	4	8	8	6
Total	<u>447</u>	<u>469</u>	<u>467</u>	<u>466</u>	<u>466</u>
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Function/Program</u>					
Instruction:					
Regular	218	214	217	214	205
Special Education/Other Special Instruction	86	91	91	88	86
Other Instruction	5	2	1	1	1
Support Services:					
Student & Instruction Related Services	115	126	132	125	132
School Administrative Services	26	23	23	24	25
General Administrative Services	3	3	3	2	3
Central Services	9	9	9	9	9
Administration Information Technology	5	5	5	5	5
Plant Operations and Maintenance	9	9	9	9	9
Pupil Transportation	5	5	5	5	5
Total	<u>481</u>	<u>487</u>	<u>495</u>	<u>482</u>	<u>480</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
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	2,878	78,144,472	27,152	4.44%	308	15.1:1	15.4:1	11.7:1	2,737	2,666	-3.69%	97.41%
2022	2,733	85,572,514	31,311	15.32%	306	16.1:1	15.2:1	12.0:1	2,716	2,567	-0.77%	94.52%

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Building</u>										
<u>Elementary Schools:</u>										
Betsy Ross School										
Square Feet	33,526	33,526	33,526	33,526	27,096	27,096	27,096	27,096	27,096	27,096
Capacity (students)	275	275	275	275	216	216	216	216	216	216
Enrollment	233	237	234	222	217	199	230	244	247	286
George Washington School										
Square Feet	34,365	34,365	34,365	34,365	30,867	30,867	30,867	30,867	30,867	30,867
Capacity (students)	241	241	241	241	241	241	241	241	241	241
Enrollment	178	193	193	201	202	193	189	203	192	209
Lenape Meadows School										
Square Feet	82,000	82,000	82,000	82,000	76,597	76,597	76,597	76,597	76,597	76,597
Capacity (students)	578	578	578	578	578	578	578	578	578	578
Enrollment	469	473	486	461	425	431	384	384	305	327
Joyce Kilmer School										
Square Feet	82,220	82,220	82,220	82,220	71,555	71,555	71,555	71,555	71,555	71,555
Capacity (students)	558	558	558	558	564	564	564	564	564	564
Enrollment	527	473	444	438	447	452	435	399	409	395
<u>Middle School:</u>										
Ramapo Ridge Middle School										
Square Feet	100,037	100,037	100,037	100,037	112,040	112,040	112,040	112,040	112,040	112,040
Capacity (students)	826	826	826	826	820	820	820	820	820	820
Enrollment	798	773	752	753	702	696	678	714	679	646
<u>High School:</u>										
Mahwah High School										
Square Feet	187,844	187,844	187,844	187,844	164,791	173,763	173,763	181,065	181,065	181,065
Capacity (students)	1,093	1,093	1,093	1,093	1,143	1,143	1,143	1,192	1,192	1,192
Enrollment	1,017	1,028	970	911	929	901	916	914	902	870

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

<u>District Building</u>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Athletic Building Square Feet	13,000	13,000	13,000	13,000	9,660	9,660	9,660	9,660	9,660	9,660
Central Administration Square Feet	9,000	9,000	9,000	9,000	7,181	7,181	7,181	7,181	7,181	7,181
Maintenance Garage Square Feet	4,200	4,200	4,200	4,200	4,584	4,584	4,584	4,584	4,584	4,584

Number of Schools at June 30, 2022

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

Enrollment is the June 2022 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				
		2013	2014	2015	2016	2017
Mahwah High School	N/A	\$ 1,063,843	\$ 862,880	\$ 618,465	\$ 339,673	\$ 603,471
Betsy Ross	N/A	362,955	142,309	65,139	81,194	67,674
Joyce Kilmer	N/A	214,008	285,589	396,551	130,277	149,747
Ramapo Ridge	N/A	402,290	701,730	441,479	217,011	215,894
George Washington	N/A	98,488	108,521	97,937	68,091	123,793
Lenape Meadows	N/A	114,521	210,679	157,998	227,614	177,241
Total School Facilities		<u>2,256,105</u>	<u>2,311,708</u>	<u>1,777,569</u>	<u>1,063,860</u>	<u>1,337,820</u>
Grand Total		<u>\$ 2,256,105</u>	<u>\$ 2,311,708</u>	<u>\$ 1,777,569</u>	<u>\$ 1,063,860</u>	<u>\$ 1,337,820</u>

<u>School Facilities*</u>	Project # (s)	Project				
		2018	2019	2020	2021	2022
Mahwah High School	N/A	\$ 609,911	\$ 666,297	\$ 727,060	\$ 962,992	\$ 1,113,932
Betsy Ross	N/A	117,396	116,996	89,587	227,041	249,617
Joyce Kilmer	N/A	216,746	133,752	198,339	173,470	369,663
Ramapo Ridge	N/A	396,647	269,018	332,911	415,573	406,487
George Washington	N/A	80,470	98,500	90,746	84,339	185,727
Lenape Meadows	N/A	164,613	263,398	221,800	158,404	192,086
Total School Facilities		<u>1,585,783</u>	<u>1,547,961</u>	<u>1,660,443</u>	<u>2,021,819</u>	<u>2,517,512</u>
Grand Total		<u>\$ 1,585,783</u>	<u>\$ 1,547,961</u>	<u>\$ 1,660,443</u>	<u>\$ 2,021,819</u>	<u>\$ 2,517,512</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, 2022
UNAUDITED

	Coverage	Deductible
Northeast Bergen County School		
Board Insurance Group:		
Property - Blanket Building & Contents	\$ 164,998,746	\$ 25,000
Earthquake/Flood	5,000,000	100,000
Comprehensive General Liability Coverage	1,000,000	10,000
Additional Comprehensive General Liability Coverage	9,000,000	
Excess Liability	10,000,000	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

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 21, 2022. That report included a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Report on 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*

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

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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

December 21, 2022
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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Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB15-08

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, 2022. 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.

In our opinion, the District complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

The Honorable President and Members
of the Board of Education
Township of Mahwah School District
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Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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.

The Honorable President and Members
of the Board of Education
Township of Mahwah School District
Page 3

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Mount Arlington, New Jersey
December 21, 2022

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period From	Grant Period To	Program or Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Prior Year Accounts Payable Canceled	Balance at June 30, 2022		Amount Provided to Subrecipients	
						Unearned/ Revenue/ (Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Unearned Revenue		
U.S. Department of Education:														
Passed-through State Department of Education:														
Special Revenue Fund:														
Special Education Cluster:														
I.D.E.A. - Part B, Basic Regular	84-027	IDEA-2900-22	7/1/21	9/30/22	\$ 618,820			\$ 332,279	\$ (617,592)		\$ (285,313)			
COVID 19 - I.D.E.A. - Part B, Basic Regular - ARP	84-027X	IDEA-2900-22	7/1/21	9/30/22	123,607				(123,362)		(123,362)			
I.D.E.A. - Part B, Preschool	84-173	IDEA-2900-22	7/1/21	9/30/22	32,790			32,790	(32,790)		(10,545)			
COVID 19 - I.D.E.A. - Part B, Preschool - ARP	84-173X	IDEA-2900-22	7/1/21	9/30/22	10,545			365,069	(784,289)		(419,220)			
Subtotal Special Education Cluster														
Elementary and Secondary Education Act:														
Title I	84-010	ESEA-2900-22	7/1/21	9/30/22	170,908			170,908	(170,908)					
Title I	84-010	ESEA-2900-21	7/1/20	9/30/21	232,131	\$ 13,277		34,270	(25,958)			\$ 21,589		
Subtotal Title I						13,277		205,178	(196,866)			21,589		
Title II A	84-367A	ESEA-2900-22	7/1/21	9/30/22	70,001			16,500	(33,500)		(17,000)			
Title III	84-365A	ESEA-2900-22	7/1/21	9/30/22	29,784			3,223	(5,623)		(2,400)			
Title III - Immigrant	84-365A	ESEA-2900-21	7/1/20	9/30/21	2,471	(6,000)				\$ 6,000				
Title IV	84-424A	ESEA-2900-22	7/1/21	9/30/22	14,711	(14,801)		14,711	(14,711)					
Title IV	84-424A	ESEA-2900-21	7/1/20	9/30/21	14,811	(14,801)		29,512	(14,711)					
Subtotal Title IV														
Education Stabilization Fund:														
COVID-19 CARES Emergency Relief	84-425D	CARES290020	3/1/20	9/30/22	171,122	(11,819)		12,042	(223)					
COVID-19 CRRSA:														
ESSER II	84-425D	S425D210027	3/13/20	9/30/23	660,570				(660,570)		(660,570)			
Learning Acceleration	84-425D	S425D210027	3/13/20	9/30/23	42,392				(6,998)		(6,998)			
COVID-19 ARP:														
Evidence-Based Summer Learning and Enrichment Activities	84-425U	S425U210027	3/13/20	9/30/24	40,000				(19,712)		(19,712)			
Total Education Stabilization Fund						(11,819)		12,042	(687,503)		(687,280)			
Total U.S. Department of Education						(19,343)		631,524	(1,722,492)	6,000	(1,125,900)		21,589	
Total Special Revenue Fund						(19,343)		631,524	(1,722,492)	6,000	(1,125,900)		21,589	

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Prior Year Accounts Payable Canceled	Balance at June 30, 2022		Amount Provided to Subrecipients	
					Unearned/ Revenue/ (Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Unearned Revenue Due to Grantor		
U.S. Department of Health and Human Services - Medicaid Cluster	93.778	N/A	7/1/21 6/30/22	\$ 25,683	\$ 25,683		\$ (25,683)						
Medical Assistance Program (SEMI)					25,683		(25,683)						
Total General Fund/Medicaid Cluster					25,683		(25,683)						
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	7/1/21 6/30/22	1,187,545		1,084,902	(1,187,545)			\$ (102,643)			
COVID 19 - Seamless Summer Option	10.555	N/A	7/1/20 6/30/21	435,532	\$ (86,274)	86,274							
Subtotal National School Lunch Program					(86,274)	1,171,176	(1,187,545)			(102,643)			
School Breakfast Program:													
COVID 19 - Seamless Summer Option	10.553	N/A	7/1/20 6/30/21	186,842	(17,543)	17,543							
Federal Food Distribution Program	10.555	N/A	7/1/21 6/30/22	40,498		40,498	(29,235)			\$ 11,263			
Federal Food Distribution Program	10.555	N/A	7/1/20 6/30/21	19,443	7,432		(7,432)						
Subtotal Federal Food Distribution Program					7,432	40,498	(36,667)			11,263			
COVID 19 - Emergency Operational Cost Reimbursement Program	10.555	N/A	7/1/21 6/30/22	25,715		25,715	(25,715)						
Subtotal Child Nutrition Cluster					(96,385)	1,254,932	(1,249,927)			(102,643)	11,263		
COVID 19 - Pandemic EBT Food Benefits	10.649	N/A	7/1/21 6/30/22	1,242		1,242	(1,242)						
Total U.S. Department of Agriculture					(96,385)	1,256,174	(1,251,169)			(102,643)	11,263		
TOTAL FEDERAL AWARDS					\$ (115,728)	\$ -0-	\$ 1,913,381	\$ (2,999,344)	\$ 6,000	\$ (1,228,543)	\$ 11,263	\$ 21,589	\$ -0-

N/A - Not Available/Applicable

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Prior Year Accounts Payable Canceled	Repayment of Prior Years' Balances	Balance at June 30, 2022		MEMO
		From	To		Budgetary Revenue/Unearned Revenue/(Accounts Receivable)	Due to Grantor					GAAP (Accounts Receivable)	Budgetary Receivable	
State Department of Education:													
General Fund:													
Special Education Categorical Aid	22-495-034-5120-089	7/1/21	6/30/22	\$ 2,675,497		\$ 2,476,535	\$ (2,675,497)					\$ 198,962	\$ 2,675,497
Special Education Categorical Aid	21-495-034-5120-089	7/1/20	6/30/21	2,276,066		178,992							
Categorical Security Aid	22-495-034-5120-084	7/1/21	6/30/22	59,339		54,926	(59,339)					4,413	59,339
Categorical Security Aid	21-495-034-5120-084	7/1/20	6/30/21	59,339		4,868							
Transportation Aid	22-495-034-5120-014	7/1/21	6/30/22	636,428		589,100	(636,428)					47,328	636,428
Transportation Aid	21-495-034-5120-014	7/1/20	6/30/21	636,428		52,215							
Extraordinary Special Education Costs Aid	22-495-034-5120-044	7/1/21	6/30/22	1,374,935		1,030,013	(1,374,935)					1,374,935	1,374,935
Extraordinary Special Education Costs Aid	21-495-034-5120-044	7/1/20	6/30/21	1,030,013									
Nonpublic School Transportation Costs	22-495-034-5120-014	7/1/21	6/30/22	48,186		42,231	(48,186)					48,186	48,186
Nonpublic School Transportation Costs	21-495-034-5120-014	7/1/20	6/30/21	42,231									
On-Behalf TPAF Contributions:													
Post-Retirement Medical	22-495-034-5094-001	7/1/21	6/30/22	2,362,986		2,362,986	(2,362,986)						2,362,986
Pension	22-495-034-5094-002	7/1/21	6/30/22	9,973,066		9,973,066	(9,973,066)						9,973,066
Non-Contributory Insurance	22-495-034-5094-004	7/1/21	6/30/22	140,706		140,706	(140,706)						140,706
Long-Term Disability Insurance	22-495-034-5094-004	7/1/21	6/30/22	3,378		3,378	(3,378)						3,378
Reimbursed TPAF Contributions:													
Social Security Aid	22-495-034-5094-003	7/1/21	6/30/22	2,071,519		1,970,042	(2,071,519)					101,477	2,071,519
Social Security Aid	21-495-034-5094-003	7/1/20	6/30/21	1,992,596		98,928							
Total General Fund State Aid						18,977,986	(19,346,040)					1,775,301	19,346,040
Special Revenue Fund:													
NI Nonpublic Aid:													
Textbook Aid (Chapter 194)	22-100-034-5120-064	7/1/21	6/30/22	1,740		1,740	(1,707)					\$ 33	1,707
Textbook Aid (Chapter 194)	21-100-034-5120-064	7/1/20	6/30/21	2,261									
Nursing Services (Chapter 226)	22-100-034-5120-070	7/1/21	6/30/22	3,584		3,584	(3,584)						3,584
Nursing Services (Chapter 226)	21-100-034-5120-070	7/1/20	6/30/21	4,182								295	
Handicapped Services (Chapter 193):													
Supplementary Instruction	22-100-034-5120-066	7/1/21	6/30/22	1,652		1,652	(1,652)						1,652
Supplementary Instruction	21-100-034-5120-066	7/1/20	6/30/21	1,619		1,133						(1,133)	
Examination and Classification	22-100-034-5120-066	7/1/21	6/30/22	2,086		2,086	(2,086)						2,086
Examination and Classification	21-100-034-5120-066	7/1/20	6/30/21	4,088		3,716						(3,716)	
Corrective Speech	22-100-034-5120-066	7/1/21	6/30/22	6,510		6,510	(6,510)						6,510
Corrective Speech	21-100-034-5120-066	7/1/20	6/30/21	4,557		3,099						(3,099)	
Security Aid	22-100-034-5120-509	7/1/21	6/30/22	5,600		5,600	(5,463)						5,463
Security Aid	21-100-034-5120-509	7/1/20	6/30/21	7,175		1,218						(15)	
Technology Initiative	22-100-034-5120-373	7/1/21	6/30/22	1,218		1,231	(1,181)					37	1,181
Teacher's STEM Grant	N/A	7/1/21	6/30/22	4,407			(4,407)					(2,174)	4,407
Total Special Revenue Fund						8,053	(26,590)		295			3,176	26,590

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Prior Year Accounts Payable Canceled	Repayment of Prior Years' Balances	Balance at June 30, 2022		MEMO		
		From	To		Budgetary Unearned Revenue/ (Accounts Receivable)	Due to Grantor					GAAP (Accounts Receivable)	Budgetary Unearned Revenue		Due to Grantor	Budgetary Receivable
State Department of Education:															
Enterprise Fund:															
State School Lunch Program:															
COVID-19 Seamless Summer Option	22-100-010-3350-023	7/1/21	6/30/22	\$ 27,941			\$ 25,579	\$ (27,941)			\$ (2,362)		\$ 2,362	\$ 27,941	
COVID-19 Seamless Summer Option	21-100-010-3350-023	7/1/20	6/30/21	18,922			2,487								
Supplemental	21-100-010-3350-023	7/1/20	6/30/21	2,421			2,421								
Total Enterprise Fund							30,487	(27,941)			(2,362)		2,362	27,941	
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT DETERMINATION							\$ 19,032,094	\$ (19,400,571)	\$ 295	\$ (8,053)	\$ (1,529,134)	\$ -0-	\$ 502	\$ 1,780,839	\$ 19,400,571
Less - State Awards Not Subject to Single Audit Major Program Determination:															
On-Behalf TPAF Pension System Contributions:															
Post-Retirement Medical	22-495-034-5094-001	7/1/21	6/30/22	2,362,986				2,362,986							
Pension	22-495-034-5094-002	7/1/21	6/30/22	9,973,066				9,973,066							
Non-Contributory Insurance	22-495-034-5094-004	7/1/21	6/30/22	140,706				140,706							
Long-Term Disability Insurance	22-495-034-5094-004	7/1/21	6/30/22	3,378				3,378							
Subtotal On-Behalf TPAF Pension System Contributions								12,480,136							
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION								\$ (6,920,435)							

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022. 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.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(14,628) for the general fund and (\$17,649) for the special revenue fund (none 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	\$ 25,683	\$ 19,331,412	\$ 19,357,095
Special Revenue Fund	1,705,992	25,441	1,731,433
Food Service Enterprise Fund	1,251,169	27,941	1,279,110
Total Financial Assistance	\$ 2,982,844	\$ 19,384,794	\$ 22,367,638

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, 2022. 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, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.
- 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* Required by the Uniform Guidance and NJ OMB 15-08.
- 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 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.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

Summary of Auditors' Results: (Cont'd)

- The District's federal and state programs tested as major programs for the current fiscal year were the following:

	Assistance Listing Number/State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. - Part B, Basic:				
Regular	84.027	7/1/21-9/30/22	\$ 618,820	\$ 617,592
Preschool	84.173	7/1/21-9/30/22	32,790	32,790
COVID 19:				
Regular - ARP	84.027X	7/1/21-9/30/22	123,607	123,362
Preschool - ARP	84.173X	7/1/21-9/30/22	10,545	10,545
Child Nutrition Cluster:				
National School Lunch:				
COVID 19 - Seamless Summer Option	10.555	7/1/21-6/30/22	1,187,545	1,187,545
Federal Food Distribution Program	10.555	7/1/21-6/30/22	40,498	29,235
Federal Food Distribution Program	10.555	7/1/20-6/30/21	19,443	7,432
COVID 19 - Emergency Operational Cost Reimbursement Program	10.555	7/1/21-6/30/22	25,715	25,715
<u>State:</u>				
Reimbursed TPAF Contributions:				
Social Security Aid	22-495-034-5094-003	7/1/21-6/30/22	2,071,519	2,071,519

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, 2022

Status of Prior Year Findings:

There were no prior year audit findings.