

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, 2023**

**Annual Comprehensive
Financial Report**

of the

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

Mahwah, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

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

Finance Department

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal.....	1
Organizational Chart	11
Roster of Officials	12
Consultants and Advisors.....	13

FINANCIAL SECTION..... 14

Independent Auditors' Report.....	15
-----------------------------------	----

Required Supplementary Information	18
--	----

Management's Discussion and Analysis	19
--	----

Basic Financial Statements (Sections A. and B.)	29
---	----

A. District-Wide Financial Statements	30
---	----

A-1 Statement of Net Position	31
-------------------------------------	----

A-2 Statement of Activities.....	32
----------------------------------	----

B. Fund Financial Statements.....	34
-----------------------------------	----

B-1 Balance Sheet – Governmental Funds	35
--	----

B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.....	36
---	----

B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	37
---	----

B-4 Statement of Net Position – Proprietary Funds.....	39
--	----

B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds	41
--	----

B-6 Statement of Cash Flows – Proprietary Funds.....	43
--	----

Notes to the Basic Financial Statements.....	45
--	----

Required Supplementary Information	86
--	----

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits

Other than Pensions	87
---------------------------	----

L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees' Retirement System.....	87
---	----

L-2 Schedule of District Contributions – Public Employees' Retirement System	88
--	----

L-3 Schedule of State's Proportionate Share of the Net Pension Liability Attributable to the District – Teachers' Pension and Annuity Fund	89
---	----

L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund	90
--	----

L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District and Related Ratios	91
---	----

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

FINANCIAL SECTION (Cont'd)

Required Supplementary Information (Cont'd)

Notes to Required Supplementary Information.....	92
C. Budgetary Comparison Schedules.....	94
C-1 Budgetary Comparison Schedule – General Fund.....	95
C-2 Budgetary Comparison Schedule – Special Revenue Fund.....	108
C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information	109
Other Supplementary Information (Sections D. to I.)	
D. School Level Schedules (Not Applicable).....	111
E. Special Revenue Fund	112
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	113
E-2 Preschool Education Aid Schedule of Expenditures Special Revenue Fund – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund.....	118
F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis.....	119
F-1a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Joyce Kilmer School HVAC Renovation	120
F-1b Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – George Washington School HVAC Upgrades	121
G. Proprietary Funds.....	122
Enterprise Funds:	
G-1 Combining Statement of Net Position	123
G-2 Combining Statement of Revenue, Expenses and Changes in Fund Net Position.....	125
G-3 Combining Statement of Cash Flows.....	127
H. Fiduciary Activities (Not Applicable)	129
I. Long-Term Liabilities.....	130
I-1 Schedule of Serial Bonds	131
I-2 Schedule of Obligations Under Financed Purchases (Not Applicable)	
I-3 Schedule of Obligations Under Leases	132
I-4 Schedule of Obligations Under Subscription-Based Information Technology Arrangements (Not Applicable)	
I-5 Debt Service Fund Budgetary Comparison Schedule.....	133

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

STATISTICAL SECTION (UNAUDITED)

J.	Statistical Section (Unaudited)	134
J-1	Net Position by Component	135
J-2	Changes in Net Position	136
J-3	Fund Balances - Governmental Funds	139
J-4	Changes in Fund Balances - Governmental Funds	140
J-5	General Fund Other Local Revenue by Source.....	142
J-6	Assessed Value and Estimated Actual Value of Taxable Property.....	143
J-7	Direct and Overlapping Property Tax Rates	144
J-8	Principal Property Taxpayers.....	145
J-9	Property Tax Levies and Collections	146
J-10	Ratios of Outstanding Debt by Type.....	147
J-11	Ratios of Net General Bonded Debt Outstanding	148
J-12	Ratios of Overlapping Governmental Activities Debt	149
J-13	Legal Debt Margin Information	150
J-14	Demographic and Economic Statistics	151
J-15	Principal Employers.....	152
J-16	Full-Time Equivalent District Employees by Function/Program	153
J-17	Operating Statistics	154
J-18	School Building Information	155
J-19	Schedule of Required Maintenance for School Facilities	157
J-20	Insurance Schedule	158
K.	SINGLE AUDIT SECTION.....	159
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	160
K-2	Report on Compliance for Each Major Federal and State Program; Report on Internal Control over Compliance Required by the Uniform Guidance and NJOMB 15-08.....	162
K-3	Schedule of Expenditures of Federal Awards	165
K-4	Schedule of Expenditures of State Awards	167
K-5	Notes to Schedules of Expenditures of Federal and State Awards	169
K-6	Schedule of Findings and Questioned Costs.....	171
K-7	Summary Schedule of Prior Audit Findings	173

**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 5, 2023

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, 2023 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate 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, 2023, 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 50 students in 2022-2023.

The District completed the 2022-2023 fiscal year with an enrollment of 2,698 students, which is 35 less students than the previous year's enrollment. In addition, 74 students were sent to out-of-district special education programs. The following table details the changes in the student enrollment of the District.

Enrollment as of June 30

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	2,698	(1.28)%
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%

The Honorable President and
Members of the Board of Education
Mahwah Township School District
Page 3
December 5, 2023

2) ECONOMIC CONDITION AND OUTLOOK: The Township of Mahwah's economic condition is consistent with that of the county and region. Enrollment in the District is continuing to decline, although the rate of decline has slowed in recent years and appears to be leveling off. Housing development has remained steady, and it is noteworthy that a housing project planned for the Sheraton Crossroads property has since been modified for warehouse use instead. The district maintains a working relationship with the Township to share information when larger housing projects, that might create an influx of students and families, are being proposed. At this time, there are no projects that would require significant modifications to our schools.

Mahwah is a diverse community and has a wide range of business, commerce, and socio-economic levels within its borders. Tax rates for the Township are comparable, or lower, compared to similar municipalities in the county.

3) MAJOR INITIATIVES:

Major facility projects that were either completed or initiated during the 2022/2023 year include the Grandstand replacement and track resurfacing at Mahwah High School, HVAC Replacement and system upgrades at George Washington Elementary School, and the partial window replacement at Ramapo Ridge Middle School, and Betsy Ross and George Washington Elementary Schools.

The 2022/2023 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.

Instructionally, the District piloted and selected a data analytics platform to assist staff with identifying and addressing specific students' needs.

Lastly, a districtwide initiative to conduct a Diversity, Equity, and Inclusion audit was conducted in the 2022/2023 year to identify and assess staff, parent, community, and student feedback in this area.

4) DISTRICT INFORMATION:

94.9% of the Class of 2023 is pursuing higher education.

Post Graduation Plans

College Data

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

Post-Graduation Plans			
	2023	2022	2021
Total Graduates	198	238	237
Post-Secondary	94.9% (180)	94.5% (219)	95.4% (226)
4 - Yr. Colleges	86.8% (170)	83.6% (199)	84.4% (200)
2 -Yr. Colleges	5.1% (10)	8.4% (20)	11.0% (26)
Other	5.0% (12)	8.0% (19)	4.6% (11)

Mahwah High School students will be attending college in 26 different states in the fall.

<u>State</u>	<u>Attending</u>	<u>State</u>	<u>Attending</u>
NJ	57	CA	2
PA	20	CO	2
NY	17	LA	2
CT	16	MI	1
MA	12	GA	1
FL	9	AZ	1
NC	6	DC	1
VA	6	AL	1
OH	5	VT	1
SC	5	WI	1
MD	4	RI	2
IN	3	IL	2
DE	3	TN	3

The Honorable President and
Members of the Board of Education
Mahwah Township School District
Page 5
December 5, 2023

College	#
Albany College of Pharmacy and Health Sciences	1
Arizona State University-Tempe	1
Bergen Community College	10
Binghamton University	3
Boston University	1
Bowling Green State University-Main Campus	2
Butler University	1
Carnegie Mellon University	1
Clemson University	1
Cleveland State University	1
College of Charleston	2
Dominican University New York	1
Drew University	1
East Carolina University	1
Elon University	1
Embry-Riddle Aeronautical University-Daytona Beach	2
Fairfield University	2
Fairleigh Dickinson University-Metropolitan Campus	1
Florida Gulf Coast University	2
Florida State University	3
George Mason University	1
Georgia Institute of Technology-Main Campus	1
Haverford College	1
High Point University	1
Indiana University-Bloomington	2
Iona University	1
Ithaca College	2
James Madison University	3
Johns Hopkins University	1

Kean University	1
Lancaster Bible College	1
Lehigh University	1
Lincoln Technical Institute-Mahwah	1
Louisiana State University	1
Marywood University	1
Massachusetts Institute of Technology	1
Montclair State University	5
Moravian University	2
Mount Holyoke College	1
Muhlenberg College	1
New York University	2
North Carolina State University at Raleigh	1
Northeastern University	7
Northwestern University	1
Ohio State University-Main Campus	1
Ohio University-Main Campus	1
Pennsylvania College of Technology	1
Pennsylvania State University-Penn State Main Campus	7
Princeton University	1
Providence College	1
Quinnipiac University	2
Ramapo College of New Jersey	12
Rensselaer Polytechnic Institute	1
Rowan University	6
Rutgers University-Camden	1
Rutgers University-New Brunswick	9
Rutgers University-Newark	2
Sacred Heart University	3
Saint Joseph's University	1
Saint Peter's University	1
San Diego State University	2
Seton Hall University	1
St. John's University-New York	1
St. Thomas Aquinas College	2

Stockton University	1
Stony Brook University	1
Suffolk University	1
Syracuse University	1
Temple University	1
The College of New Jersey	2
The George Washington University	1
The New School	1
The University of Alabama	1
The University of Tampa	1
The University of Tennessee-Knoxville	2
Tufts University	1
Tulane University of Louisiana	1
United States Air Force Academy	1
United States Naval Academy	1
Universal Technical Institute - Bloomfield	2
University of Central Florida	1
University of Colorado Boulder	1
University of Connecticut	3
University of Delaware	3
University of Hartford	3
University of Maryland-College Park	2
University of Michigan-Ann Arbor	1
University of New Haven	3
University of North Carolina at Charlotte	1
University of Pennsylvania	1
University of Rhode Island	1
University of South Carolina-Columbia	2
University of Vermont	1
University of Wisconsin-Madison	1
Vanderbilt University	1
Villanova University	1
Virginia Tech	2
Wake Forest University	1
Worcester Polytechnic Institute	2

A. 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 improvements 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, 2023 ending balance of \$3,781,058.

2000-2001	Fund Balance Initial Allocation	10,000
Prior Years Additions	Fund Balance and Tax Levy Allocations, Investment Income	28,925,889
Prior Year Expenditures	Board Approved Distributions	(20,298,286)
June 30, 2022	Balance	8,637,603
2022-2023	Additions	872,777
2022-2023	Expenditures	(5,729,322)
June 30, 2023	Balance	3,781,058

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, 2023.

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 2022/2023 school year the district made payments of \$1,119,883 (\$1,075,000 principal and \$44,883 interest) towards debt issues. At June 30, 2023, the District's outstanding debt of \$545,000 represents the principal for one remaining issue. This remaining issue is expected to be fully paid in the 2023-2024 year.

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.

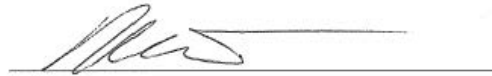
10) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

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
Page 10
December 5, 2023

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,

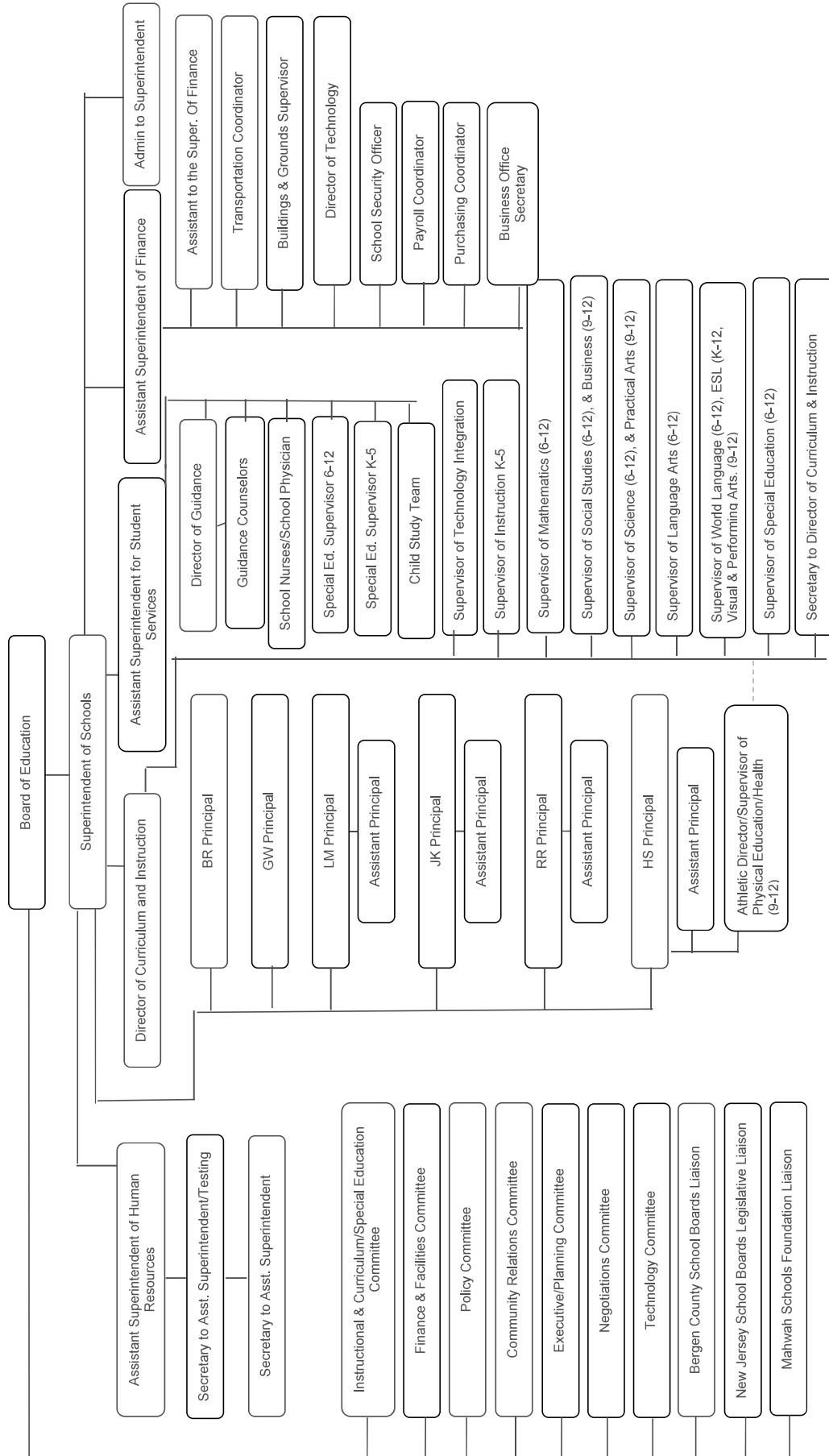


Michael DeTuro, Ed.D.
Superintendent of Schools



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

MAHWAH BOARD OF EDUCATION ORGANIZATIONAL CHART 2022 - 2023



**TOWNSHIP OF MAHWAH SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dr. Prema C. Moorthy, President	2025
Richard A. DeSilva, Jr., First Vice President	2023
Benjamin A. Kezmarsky, Second Vice President	2024
Trista Daveniero	2024
John Dinice	2025
Michael Galow	2024
Christopher L. Hughes	2025
Dr. Matthew Park	2023
Lynda Zaccone	2023

<u>Other Officials</u>	<u>Title</u>
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

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

Scarinci & Hollenbeck, LLP
1100 Valley Brook Avenue
Lyndhurst, NJ 07071

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

Bond Counsel

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

Risk Management Consultants

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

Professional Insurance Associates

429 Hackensack Street
Carlstadt, NJ 07072

Official Depository

TD Bank
One Interstate Shopping Center
Ramsey, NJ 07446

Financial Advisors

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

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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, 2023, 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, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2023, 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 Opinions

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 audit opinions.

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

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 5, 2023 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 5, 2023
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, 2023**

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, 2023. 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, 2023**

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

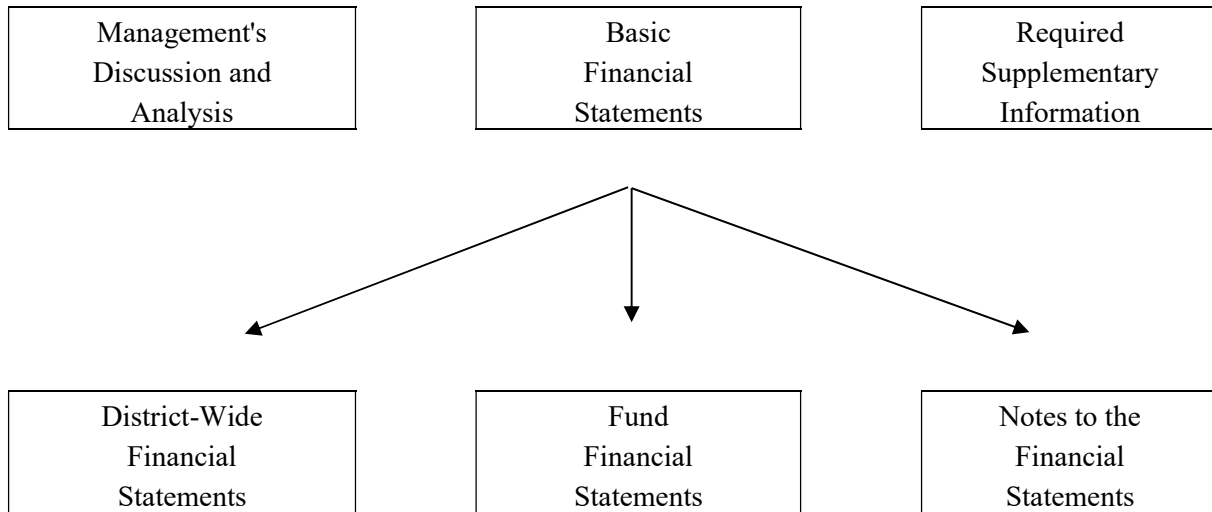


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**Township of Mahwah School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

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, subscription 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, 2023**

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 liabilities) 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, 2023**

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, 2023 and 2022. The District's combined net position was \$35,139,160 on June 30, 2023, \$5,192,748 or 17.34% more than it was the fiscal year before. The net position of the governmental activities increased by \$4,791,357 and the net position of the business-type activities increased by \$401,391.

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

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	Change
Assets:							
Current and							
Other Assets	\$ 23,797,568	\$ 25,709,645	\$ 1,530,884	\$ 1,311,722	\$ 25,328,452	\$ 27,021,367	
Capital Assets, Net	25,056,621	20,960,559	186,702	117,418	25,243,323	21,077,977	
Lease Assets, Net	1,446,842	2,184,884			1,446,842	2,184,884	
Total Assets	<u>50,301,031</u>	<u>48,855,088</u>	<u>1,717,586</u>	<u>1,429,140</u>	<u>52,018,617</u>	<u>50,284,228</u>	3.45%
Deferred Outflows of							
Resources	<u>1,617,377</u>	<u>1,007,399</u>	<u>81,539</u>	<u>49,316</u>	<u>1,698,916</u>	<u>1,056,715</u>	60.77%
Liabilities:							
Other Liabilities	1,124,475	970,455	140,812	135,661	1,265,287	1,106,116	
Long-Term Liabilities	15,090,570	15,108,298	446,512	364,164	15,537,082	15,472,462	
Total Liabilities	<u>16,215,045</u>	<u>16,078,753</u>	<u>587,324</u>	<u>499,825</u>	<u>16,802,369</u>	<u>16,578,578</u>	1.35%
Deferred Inflows of							
Resources	<u>1,688,979</u>	<u>4,560,707</u>	<u>87,025</u>	<u>255,246</u>	<u>1,776,004</u>	<u>4,815,953</u>	-63.12%
Net Position:							
Net Investment in							
Capital Assets	24,449,502	19,371,869	186,702	117,418	24,636,204	19,489,287	
Restricted	13,966,631	16,608,007			13,966,631	16,608,007	
Unrestricted (Deficit)	<u>(4,401,749)</u>	<u>(6,756,849)</u>	<u>938,074</u>	<u>605,967</u>	<u>(3,463,675)</u>	<u>(6,150,882)</u>	
Total Net Position	<u>\$ 34,014,384</u>	<u>\$ 29,223,027</u>	<u>\$ 1,124,776</u>	<u>\$ 723,385</u>	<u>\$ 35,139,160</u>	<u>\$ 29,946,412</u>	17.34%

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Figure A-4 represents the *Changes in Net Position*. Net investment in capital assets increased \$5,146,917 due to \$5,389,251 in capital assets additions, the maturity of \$735,981 in lease principal, the retirement of \$1,075,000 of serial bonds payable, \$1,148,628 of depreciation expense, \$738,042 in amortization expense, amortized deferred amount on refunding of \$91,368, and net capital asset disposals of \$75,277. Restricted net position decreased by \$2,641,376 due primarily to increases in excess surplus of \$1,479,131, the maintenance reserve of \$463,431, unemployment compensation of \$20,301, student activities of \$237,071 and scholarships of \$18,929, offset by a decrease in the capital reserve of \$4,856,545. The deficit in unrestricted net position improved \$2,687,207 primarily due to a decrease in compensated absences payable, an excess in budget revenue and unexpended budget balances offset by an increase in the net pension liability as well as changes in deferred inflows and outflows related to pensions.

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

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	Change 2022/23
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,002,925	\$ 877,337	\$ 19,835,491	\$ 14,734,147	\$ 20,838,416	\$ 15,611,484	
Grants and Contributions:							
Operating	16,027,832	18,496,346	492,846	1,279,110	16,520,678	19,775,456	
Capital	1,119,577				1,119,577		
General Revenue:							
Property Taxes	68,737,970	67,769,621			68,737,970	67,769,621	
Unrestricted State/ Federal Aid	318,815	85,477			318,815	85,477	
Other	1,263,153	642,137	12,308	64	1,275,461	642,201	
Total Revenue	88,470,272	87,870,918	20,340,645	16,013,321	108,810,917	103,884,239	4.74%
Expenses:							
Instruction	38,646,204	40,496,398			38,646,204	40,496,398	
Pupil and Instruction Services	23,540,401	21,109,411			23,540,401	21,109,411	
Administration and Business	6,984,621	7,225,084			6,984,621	7,225,084	
Maintenance and Operations	7,372,716	8,506,120			7,372,716	8,506,120	
Transportation	6,339,150	5,088,122			6,339,150	5,088,122	
Other	795,823	683,355	19,939,254	15,672,651	20,735,077	16,356,006	
Total Expenses	83,678,915	83,108,490	19,939,254	15,672,651	103,618,169	98,781,141	4.90%
Disposal of Capital Assets, Net of Depreciation				(9,503)		(9,503)	100.00%
Increase/(Decrease) in Net Position	\$ 4,791,357	\$ 4,762,428	\$ 401,391	\$ 331,167	\$ 5,192,748	\$ 5,093,595	1.95%

**Township of Mahwah School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

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
- Coordination with Township for shared services were applicable
- 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	
	2022/2023	2021/2022	2022/2023	2021/2022
Instruction	\$ 38,646,204	\$ 40,496,398	\$28,360,119	\$28,136,993
Pupil and Instruction Services	23,540,401	21,109,411	18,803,235	16,946,776
Administration and Business	6,984,621	7,225,084	6,059,098	6,059,376
Maintenance and Operations	7,372,716	8,506,120	6,080,369	7,645,721
Transportation	6,339,150	5,088,122	5,429,937	4,262,586
Other	795,823	683,355	795,823	683,355
	<u>\$ 83,678,915</u>	<u>\$ 83,108,490</u>	<u>\$ 65,528,581</u>	<u>\$ 63,734,807</u>

Business-Type Activities

Net position from the District’s business-type activities increased by \$401,391 (\$201,223 in Region I services and \$200,168 in food service). (Refer to Figure A-4). The increase in food service was due to the end of the District’s participation in the Seamless Summer Option (SSO) Program, resulting in an increase in daily sales. 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.

**Township of Mahwah School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Financial Analysis of the District’s Funds

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

Transportation costs saw an increase due to outside factors that resulted in route costs that exceeded 2022/2023 budget projections. As a result of this, work began in 2022/2023 to find efficiencies that can reduce costs in the future.

Successful negotiations for a successor agreement with the Mahwah Education Association (MEA) during the 2022/2023 year with an effective date of July 1, 2024 were completed and the financial impact will be monitored closely as it is implemented.

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 2022/2023 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
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	
Sites (Land)	\$ 1,451,475	\$ 1,451,475			\$ 1,451,475	\$ 1,451,475	
Buildings and Building Improvements	21,088,332	17,192,481			21,088,332	17,192,481	
Site Improvements	275,813	286,846			275,813	286,846	
Machinery and Equipment	2,241,001	2,029,757	\$ 186,702	\$ 117,418	2,427,703	2,147,175	
Total Capital Assets, Net of Depreciation	\$ 25,056,621	\$ 20,960,559	\$ 186,702	\$ 117,418	\$ 25,243,323	\$ 21,077,977	19.76%

The District’s capital assets (net of depreciation) increased \$4,165,346, or 19.76%, 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 2022/2023 school year, District additions totaled \$5,389,251 which were offset by \$1,148,628 in depreciation and \$75,277 in net disposals.

**Township of Mahwah School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Long-Term Liabilities

The District’s long-term liabilities increased by \$64,620, or 0.42%, during the fiscal year. At fiscal year-end, the District had \$545,000 of general obligation bonds outstanding, \$9,112,487 in net pension liability (\$8,665,975 governmental activities and \$446,512 business-type activities), \$53,533 in unamortized bond issuance premiums, \$4,282,248 in compensated absences payable, and \$1,543,814 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 2022/23
	2022/23	2021/22	
Governmental Activities:			
General Obligation Bonds, Net (Financed with Property Taxes)	\$ 545,000	\$ 1,620,000	
Net Pension Liability	8,665,975	6,506,852	
Other Long-Term Liabilities	5,879,595	6,981,446	
Total Governmental Activities	<u>15,090,570</u>	<u>15,108,298</u>	-0.12%
Business-Type Activities:			
Net Pension Liability	<u>446,512</u>	<u>364,164</u>	
Total Business-Type Activities	<u>446,512</u>	<u>364,164</u>	22.61%
Total District-wide	<u>\$ 15,537,082</u>	<u>\$ 15,472,462</u>	<u>0.42%</u>

- Principal payments of \$1,075,000 on the District’s general obligation bonds were made during the fiscal year.
- The District’s net pension liability increased by \$2,241,471 (\$2,159,123 governmental activities decrease and \$82,348 business-type activities decrease).
- Unamortized bond premiums decreased by \$99,170.
- Compensated absences payable decreased by the net amount of \$266,700.
- The District’s other long-term liabilities as of June 30, 2023 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 paid down \$735,981 in lease principal during the fiscal year.

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

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 2023/2024 school year will see the implementation of a new contractual terms for staff because of the successful completion of a successor agreement with the Mahwah Education Association.

Prudent and careful decisions will need to be made as the influx of Funds received to address the COVID-19 pandemic are 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.

Many factors were considered by the District's Administration during the process of developing and presenting the 2023/2024 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, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 8,346,430	\$ 1,441,429	\$ 9,787,859
Internal Balances	1,573,409	(1,573,409)	
Receivables from State Government	1,645,958	1,081	1,647,039
Receivables from Federal Government	1,567,473	22,211	1,589,684
Receivables from Other Governmental Units		1,592,876	1,592,876
Other Receivables	48,803		48,803
Inventory		46,696	46,696
Restricted Cash and Cash Equivalents	8,711,823		8,711,823
Restricted Investments	1,903,672		1,903,672
Capital Assets, Net:			
Sites (Land)	1,451,475		1,451,475
Depreciable Buildings and Building Improvements, Site Improvements and Machinery and Equipment	23,605,146	186,702	23,791,848
Lease Assets, Net	1,446,842		1,446,842
Total Assets	<u>50,301,031</u>	<u>1,717,586</u>	<u>52,018,617</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	34,853		34,853
Deferred Outflows Related to Pensions	1,582,524	81,539	1,664,063
Total Deferred Outflows of Resources	<u>1,617,377</u>	<u>81,539</u>	<u>1,698,916</u>
LIABILITIES			
Current Liabilities:			
Payable to State Government	12,018		12,018
Payable to Federal Government	1,500		1,500
Accounts Payable	1,092,653	59,178	1,151,831
Accrued Interest Payable	10,219		10,219
Unearned Revenue	8,085	81,634	89,719
Noncurrent Liabilities:			
Due Within One Year	1,337,472		1,337,472
Due Beyond One Year	13,753,098	446,512	14,199,610
Total Liabilities	<u>16,215,045</u>	<u>587,324</u>	<u>16,802,369</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,688,979	87,025	1,776,004
Total Deferred Inflows of Resources	<u>1,688,979</u>	<u>87,025</u>	<u>1,776,004</u>
NET POSITION			
Net Investment in Capital Assets	24,449,502	186,702	24,636,204
Restricted for:			
Capital Projects	3,781,058		3,781,058
Debt Service	1		1
Maintenance	2,156,753		2,156,753
Emergency	508,900		508,900
Excess Surplus	3,351,135		3,351,135
Unemployment Compensation	797,136		797,136
Student Activities	1,393,630		1,393,630
Scholarships	1,978,018		1,978,018
Unrestricted (Deficit)	<u>(4,401,749)</u>	<u>938,074</u>	<u>(3,463,675)</u>
Total Net Position	<u>\$ 34,014,384</u>	<u>\$ 1,124,776</u>	<u>\$ 35,139,160</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, 2023

	Net (Expense) Revenue and Changes in Net Position					
	Program Revenues					
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 26,101,095	\$ 3,960,187		\$ (22,140,908)		\$ (22,140,908)
Special Education	8,908,848	5,783,305		(3,125,543)		(3,125,543)
Other Special Instruction	1,590,014	260,136		(1,329,878)		(1,329,878)
Other Instruction	2,046,247	282,457		(1,763,790)		(1,763,790)
Support Services:						
Tuition	6,328,607	827,383		(5,501,224)		(5,501,224)
Student & Instruction Related Services	17,211,794	\$ 1,002,925		(13,302,011)		(13,302,011)
General Administrative Services	710,434	70,595		(639,839)		(639,839)
School Administrative Services	3,503,467	554,569		(2,948,898)		(2,948,898)
Central Services	1,353,935	189,081		(1,164,854)		(1,164,854)
Administrative Information Technology	1,416,785	111,278		(1,305,507)		(1,305,507)
Plant Operations and Maintenance	7,372,716		\$ 1,119,577	(6,080,369)		(6,080,369)
Pupil Transportation	6,339,150	909,213		(5,429,937)		(5,429,937)
Interest on Long-Term Debt	24,275			(24,275)		(24,275)
Unallocated Depreciation	771,548			(771,548)		(771,548)
Total Governmental Activities	83,678,915	16,027,832	1,119,577	(65,528,581)		(65,528,581)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:							
Food Service	\$ 1,366,566	\$ 1,061,580	\$ 492,846			\$ 187,860	\$ 187,860
Region I Transportation	18,273,424	18,328,421				54,997	54,997
Region I Administration	299,264	445,490				146,226	146,226
Total Business-Type Activities	19,939,254	19,835,491	492,846			389,083	389,083
Total Primary Government	\$ 103,618,169	\$ 20,838,416	\$ 16,520,678	\$ 1,119,577	\$ (65,528,581)	389,083	(65,139,498)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					67,621,781		67,621,781
Taxes Levied for Debt Service					1,116,189		1,116,189
Federal and State Aid not Restricted					318,815		318,815
Investment Earnings					616,898	12,308	629,206
Miscellaneous Income					646,255		646,255
Total General Revenues					70,319,938	12,308	70,332,246
Change in Net Position					4,791,357	401,391	5,192,748
Net Position - Beginning					29,223,027	723,385	29,946,412
Net Position - Ending					\$ 34,014,384	\$ 1,124,776	\$ 35,139,160

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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 6,042,101		\$ 2,304,328	\$ 1	\$ 8,346,430
Interfund Receivable	3,147,682				3,147,682
Receivables from State Government	1,645,958				1,645,958
Receivables from Federal Government		\$ 1,567,473			1,567,473
Other Receivables		48,803			48,803
Restricted Cash and Cash Equivalents	7,243,847	1,467,976			8,711,823
Restricted Investments		1,903,672			1,903,672
Total Assets	\$ 18,079,588	\$ 4,987,924	\$ 2,304,328	\$ 1	\$ 25,371,841
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable		\$ 1,574,273			\$ 1,574,273
Payable to State Government		12,018			12,018
Payable to Federal Government		1,500			1,500
Accounts Payable	\$ 320,393	20,400			340,793
Unearned Revenue		8,085			8,085
Total Liabilities	320,393	1,616,276			1,936,669
Fund Balances:					
Restricted:					
Capital Reserve Account	3,781,058				3,781,058
Maintenance Reserve Account	2,156,753				2,156,753
Emergency Reserve Account	508,900				508,900
Excess Surplus - 2024-2025	2,167,561				2,167,561
Excess Surplus - 2023-2024	1,183,574				1,183,574
Unemployment Compensation	797,136				797,136
Student Activities		1,393,630			1,393,630
Scholarships		1,978,018			1,978,018
Debt Service				\$ 1	1
Committed			\$ 2,304,328		2,304,328
Assigned:					
Year-End Encumbrances	2,343,986				2,343,986
Designated for Subsequent Year's Expenditures	2,407,955				2,407,955
Unassigned	2,412,272				2,412,272
Total Fund Balances	17,759,195	3,371,648	2,304,328	1	23,435,172
Total Liabilities and Fund Balances	\$ 18,079,588	\$ 4,987,924	\$ 2,304,328	\$ 1	\$ 25,371,841

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

Total Fund Balances (Above)	\$ 23,435,172
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.	25,056,621
Leased Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.	1,446,842
The Deferred Amount on Refunding is not reported as an expenditure in the Governmental Funds in the year of the refunding.	34,853
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(8,665,975)
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	830,664
Deferred Inflows Related to Pensions	(1,688,979)
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.	(6,371,062)
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(10,219)
Bond Premiums are reported as revenue in the Governmental Funds.	(53,533)
Net Position of Governmental Activities	\$ 34,014,384

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 67,621,781			\$ 1,116,189	\$ 68,737,970
Miscellaneous Revenues	1,263,153	\$ 1,121,943			2,385,096
Total - Local Sources	68,884,934	1,121,943		1,116,189	71,123,066
State Sources	20,135,243	5,073			20,140,316
Federal Sources	60,403	2,823,361			2,883,764
Total Revenues	89,080,580	3,950,377		1,116,189	94,147,146
EXPENDITURES					
Current:					
Regular Instruction	18,632,094	55,300			18,687,394
Special Education Instruction	6,042,543	239,169			6,281,712
Other Special Instruction	1,112,990				1,112,990
Other Instruction	1,504,492				1,504,492
Support Services and Undistributed Costs:					
Tuition	5,501,224	827,383			6,328,607
Student & Instruction Related Services	11,659,064	1,603,760			13,262,824
General Administrative Services	726,559				726,559
School Administrative Services	2,478,012				2,478,012
Central Services	1,002,539				1,002,539
Administration Information Technology	1,150,976				1,150,976
Plant Operations and Maintenance	7,293,053				7,293,053
Pupil Transportation	6,106,635				6,106,635
Unallocated Benefits	24,460,073				24,460,073
Debt Service:					
Principal				1,075,000	1,075,000
Interest and Other Charges				44,883	44,883
Capital Outlay	3,442,750	968,765	\$ 195,620		4,607,135
Total Expenditures	91,113,004	3,694,377	195,620	1,119,883	96,122,884
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(2,032,424)	256,000	(195,620)	(3,694)	(1,975,738)
OTHER FINANCING SOURCES/(USES)					
Transfers In			2,304,328		2,304,328
Transfers Out	(2,304,328)				(2,304,328)
Total Other Financing Sources/(Uses)	(2,304,328)		2,304,328		
Net Change in Fund Balances	(4,336,752)	256,000	2,108,708	(3,694)	(1,975,738)
Fund Balance - July 1	22,095,947	3,115,648	195,620	3,695	25,410,910
Fund Balance - June 30	\$ 17,759,195	\$ 3,371,648	\$ 2,304,328	\$ 1	\$ 23,435,172

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, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (1,975,738)

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.

Depreciation expense	\$ (1,136,768)
Capital asset additions	5,308,107
Disposal of Capital Assets, Net of Accumulated Depreciation	<u>(75,277)</u>
	4,096,062

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.

Amortization expense	(738,042)
Lease asset additions	<u>- 0 -</u>
	(738,042)

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.

735,981

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.

1,075,000

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 (+).

12,806

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	(2,159,123)
Changes in Deferred Inflows and Outflows	3,469,909

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 (+).

266,700

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, 2023

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

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

\$ 99,170

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

(91,368)

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

\$ 4,791,357

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023

	Business-Type Activities - Enterprise Funds		
	Major Funds	Total	Total
	Transportation	Administration	Non-Major Funds
Region I			Enterprise Funds
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 685,156	\$ 756,273	\$ 1,441,429
Receivable from:			
Federal Government		22,211	22,211
State Government		1,081	1,081
Other Governmental Units	16,310		1,592,876
Interfund Receivable - Special Revenue Fund		1,031	1,031
Inventories		46,696	46,696
Total Current Assets	1,576,566	701,466	827,292
Non-Current Assets:			
Capital Assets		530,663	530,663
Less: Accumulated Depreciation		(343,961)	(343,961)
Total Non-Current Assets	1,576,566	701,466	1,013,994
Total Assets	1,576,566	701,466	3,292,026
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows Related to Pensions		81,539	81,539
Total Deferred Outflows of Resources	1,576,566	81,539	81,539

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023

	Business-Type Activities - Enterprise Funds			
	Major Funds	Total		Total
	Transportation	Administration	Non-Major Funds	Enterprise Funds
LIABILITIES:				
Current Liabilities:				
Interfund Payable - General Fund	\$ 1,520,127		54,313	\$ 1,574,440
Accounts Payable	\$ 38,739		\$ 20,439	59,178
Unearned Revenue:				
Prepaid Student Balances			36,390	36,390
Commodities			12,492	12,492
Supply Chain Assistance			32,752	32,752
Noncurrent Liabilities:				
Due Beyond One Year		446,512		446,512
Total Liabilities	1,520,127	485,251	156,386	2,161,764
DEFERRED INFLOWS OF RESOURCES:				
Deferred Inflows Related to Pensions		87,025		87,025
Total Deferred Inflows of Resources		87,025		87,025
NET POSITION:				
Investment in Capital Assets			186,702	186,702
Unrestricted	56,439	210,729	670,906	938,074
Total Net Position	\$ 56,439	\$ 210,729	\$ 857,608	\$ 1,124,776

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, 2023

	Business-Type Activities - Enterprise Funds			
	Major Funds		Total	
	Region I	Administration	Non-Major Funds	Enterprise Funds
Operating Revenue:				
Charges for Services:				
Daily Sales:				
Reimbursable Programs			\$ 183,911	\$ 183,911
Non-Reimbursable Programs			873,073	873,073
Program Fees	\$ 445,490			445,490
Transportation Fees from Other LEA's Within the State		445,490	1,056,984	18,328,421
Special Events			4,596	19,830,895
Total Operating Revenue		445,490	1,061,580	19,835,491
Operating Expenses:				
Cost of Sales:				
Reimbursable			359,293	359,293
Non-Reimbursable			277,245	277,245
Total Cost of Sales			636,538	636,538
Salaries, Benefits & Payroll Taxes		242,281	518,690	760,971
Contracted Services			50,925	18,324,349
Purchased Professional/Technical Services		1,840		1,840
Purchased Property Services			31,916	31,916
Other Purchased Services			1,320	1,320
Supplies and Materials			103,764	103,764
Rent		37,500		37,500
General Supplies		14,651		14,651
Miscellaneous Expenses		2,992	11,553	14,545
Depreciation Expense			11,860	11,860
Total Operating Expenses		299,264	1,366,566	19,939,254

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds			
	Major Funds	Total	Non-Major	Total
	Region I	Administration	Funds	Enterprise Funds
Operating Income/(Loss)	\$ 54,997	\$ 146,226	\$ (304,986)	\$ (103,763)
Non-Operating Revenue:				
Federal Sources:				
National School Lunch Program			257,312	257,312
COVID-19 - Supply Chain Assistance Award			101,870	101,870
Local Food for Schools (LFS) Cooperative			540	540
Food Distribution Program			58,820	58,820
Paycheck Protection Plan - Reimbursement from Food Service Management Contractor			61,530	61,530
State Sources - School Lunch Program			12,774	12,774
Local Sources:				
Interest Revenue			12,308	12,308
Total Non-Operating Revenue			505,154	505,154
Change in Net Position	54,997	146,226	200,168	401,391
Net Position - Beginning of Year	1,442	64,503	657,440	723,385
Net Position - End of Year	\$ 56,439	\$ 210,729	\$ 857,608	\$ 1,124,776

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, 2023

	Business-Type Activities - Enterprise Funds			
	Major Funds		Total	
	Region I	Non-Major	Total	Enterprise
Transportation	Administration	Funds	Funds	Funds
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 18,204,007	\$ 441,554	\$ 1,272,478	\$ 19,918,039
Payments to/for Employees		(355,509)		(355,509)
Payments to Food Service Vendor			(1,286,677)	(1,286,677)
Payments to Transportation Vendors			(18,276,994)	(18,276,994)
Payments to Suppliers		(59,417)	(28,199)	(87,616)
Net Cash Provided by/(Used for) Operating Activities	(72,987)	26,628	(42,398)	(88,757)
Cash Flows from Investing Activities:				
Interest Income			12,308	12,308
Net Cash Provided by Investing Activities			12,308	12,308
Cash Flows from Noncapital and Related Financing Activities:				
Federal Subsidy Reimbursements Collected in Food Service Fund			338,284	338,284
State Subsidy Reimbursements Collected in Food Service Fund			14,055	14,055
COVID-19 - Supply Chain Assistance Award			134,622	134,622
Cash Received - Payroll Protection Plan - Reimbursement from Food Service Management Company			61,530	61,530
Cash Received - Interfund Payable - General Fund	72,987			72,987
Net Cash Provided by/(Used for) Noncapital and Related Financing Activities	72,987		548,491	621,478
Cash Flows from Capital and Related Financing Activities:				
Purchase of Capital Assets			(81,144)	(81,144)
Net Cash Used for Capital and Related Financing Activities			(81,144)	(81,144)
Net Increase/(Decrease) in Cash and Cash Equivalents		26,628	437,257	463,885
Cash and Cash Equivalents, July 1		658,528	319,016	977,544
Cash and Cash Equivalents, June 30	\$ - 0 -	\$ 685,156	\$ 756,273	\$ 1,441,429

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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)	\$ 54,997	\$ 146,226	\$ (304,986)	\$ (103,763)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Depreciation			11,860	11,860
Federal Food Distribution Program			58,820	58,820
Changes in Assets and Liabilities:				
(Increase)/Decrease in:				
Deferred Inflows and Outflows Related to Pensions		(195,576)		(195,576)
Interfund Receivable			171,688	171,688
Receivable from Other Governmental Units	(124,414)	(3,936)		(128,350)
Inventory			(7,628)	(7,628)
Increase/(Decrease) in:				
Net Pension Liability		82,348		82,348
Accounts Payable	(3,570)	(2,434)	(30,098)	(36,102)
Interfund Payable			54,313	54,313
Unearned Revenue - Donated Commodities			1,229	1,229
Unearned Revenue - Prepaid Student Balances			2,404	2,404
Net Cash Provided by/(Used for) Operating Activities	\$ (72,987)	\$ 26,628	\$ (42,398)	\$ (88,757)
<u>Non-Cash Investing, Capital and Financing Activities:</u>				
The Food Service Enterprise Fund received commodities from the Federal Food Distribution Program valued at \$60,049 and utilized commodities from the Federal Food Distribution Program valued at \$58,820 for the fiscal year ended June 30, 2023.				

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023
(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, 2023
(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following governmental funds: (Cont'd)

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, lease assets or subscription 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.

The District reports the following proprietary funds:

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, lease asset or subscription 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, 2023
(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, 2023 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, 2023
(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	\$ 89,121,435	\$ 4,188,635
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		(254,758)
Prior Year Encumbrances		17,649
Cancellation of Prior Year Encumbrances		(1,149)
Prior Year State aid payments recognized for GAAP statements, not recognized for budgetary purposes	250,703	
Current Year State aid payments recognized for budgetary purposes, not recognized for GAAP statements	<u>(291,558)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 89,080,580</u>	<u>\$ 3,950,377</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 91,113,004	\$ 3,932,635
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		(254,758)
Prior Year Encumbrances		17,649
Cancellation of Prior Year Encumbrances		<u>(1,149)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 91,113,004</u>	<u>\$ 3,694,377</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(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, 2023
(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, 2023.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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. Subscription Assets:

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets are determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. 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.

O. 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, 2023.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

P. 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.

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.

Q. 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.

R. Subscription Payable:

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. 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.

T. Fund Balance Appropriated:

General Fund: Of the \$17,759,195 General Fund balance at June 30, 2023, \$3,781,058 is restricted in the capital reserve account; \$2,156,753 is restricted in the maintenance reserve; \$508,900 is restricted in the emergency reserve account; \$797,136 is restricted for unemployment compensation; \$3,351,135 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) (\$1,183,574 is prior year excess surplus which is included as anticipated budget revenue for the fiscal year ending June 30, 2024 and \$2,167,561 is current year excess surplus which will be included as anticipated budget revenue for the fiscal year ending June 30, 2025); \$2,343,986 is assigned for encumbrances; \$2,407,955 is designated for subsequent year's expenditures; and \$2,412,272 is unassigned which is \$291,558 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, 2024.

Special Revenue Fund: Of the \$3,371,648 Special Revenue Fund balance at June 30, 2023, \$1,393,630 is restricted for student activities and \$1,978,018 is restricted for scholarships.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

Capital Projects Fund: The \$2,304,328 Capital Projects Fund balance at June 30, 2023 is committed for capital projects.

Debt Service Fund: The \$1 Debt Service Fund balance at June 30, 2023 is restricted for the subsequent year's budget.

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, 2023 as outlined above.

The District's fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$291,558 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.

U. 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 \$2,304,328 of committed resources in the Capital Projects Fund at June 30, 2023.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

U. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

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, 2023.

V. Deficit Net Position:

The District has a \$4,401,749 deficit in unrestricted net position in governmental activities as of June 30, 2023 primarily due to the non-recognition of the June state aid payments as explained in Note 1T on the previous page, the accrual of \$4,282,248 in compensated absences payable, \$10,219 in accrued interest payable, \$53,533 of unamortized bond issuance premiums, deferred inflows related to pensions of \$1,688,979 and net pension liability of \$8,665,975, offset by deferred outflows related to pensions of \$830,664, excluding the District contribution subsequent to the measurement date, and \$7,164,213 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.

W. 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, 2023 for the deferred amount on refunding of debt related to the District's 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, 2023, 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 and subscription 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, 2023

(Continued)

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

X. 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.

Y. 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.

Z. 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.

AA. 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, 2023

(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, 2023
(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, 2023
(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, 2023, 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/CD Accounts	\$ 9,787,859	\$ 3,781,058	\$ 2,156,753	\$ 508,900	
	Cash and Cash Equivalents			Investments	
	Restricted				
	Reserve Accounts				
	Unemployment Compensation	Student Activities	Scholarship	Scholarship CD	Total
Checking/CD Accounts	\$ 797,136	\$ 1,393,630	\$ 74,346	\$ 1,903,672	\$ 20,403,354

During the period ended June 30, 2023, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents at June 30, 2023 was \$20,403,354 and the bank balance was \$25,916,045.

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, 2023
(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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 8,637,603
Budgeted Withdrawal - Capital Projects Fund	(3,200,000)
Board Approved Withdrawals - Capital Outlay	(3,424,994)
Board Approved Withdrawal - Capital Projects Fund	(704,328)
Interest Earned	122,011
Increase Approved by Board Resolution June 14, 2023	750,000
Unexpended Balances Returned - Budgeted Withdrawal - Capital Projects Fund	1,600,000
Unexpended Balances Returned - Capital Outlay	766
Ending Balance, June 30, 2023	\$ 3,781,058

The balance in the capital reserve account at June 30, 2023 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, 2023
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 1,693,322
Board Approved Withdrawal - Maintenance	(292,500)
Increase Approved by Board Resolution June 14, 2023	450,000
Unexpended Balances Returned - Maintenance	<u>305,931</u>
Ending Balance, June 30, 2023	<u><u>\$ 2,156,753</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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	<u>\$ 508,900</u>
Ending Balance, June 30, 2023	<u><u>\$ 508,900</u></u>

NOTE 7. RECEIVABLES FROM OTHER GOVERNMENTS

The following receivables due from other governments existed as of June 30, 2023:

	Governmental Activities		Business-Type Activities
	General Fund	Special Revenue Fund	Total Governmental Funds
Federal		\$ 1,567,473	\$ 22,211
State	\$ 1,645,958		1,081
Other			1,592,876
	<u>\$ 1,645,958</u>	<u>\$ 1,567,473</u>	<u>\$ 3,213,431</u>
			<u><u>\$ 1,616,168</u></u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2023, the District transferred \$3,454,457 to the capital outlay accounts; \$22,971 for equipment and \$3,431,486 for facilities acquisition and construction services. County Superintendent approval was obtained where required.

NOTE 9. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2023 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	33,976,467	\$ 4,628,156		38,604,623
Site Improvements	330,976			330,976
Machinery and Equipment	5,655,958	679,951	\$ (635,921)	5,699,988
Total Capital Assets Being Depreciated	<u>39,963,401</u>	<u>5,308,107</u>	<u>(635,921)</u>	<u>44,635,587</u>
Governmental Activities Capital Assets	<u>41,414,876</u>	<u>5,308,107</u>	<u>(635,921)</u>	<u>46,087,062</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(16,783,986)	(732,305)		(17,516,291)
Site Improvements	(44,130)	(11,033)		(55,163)
Machinery and Equipment	(3,626,201)	(393,430)	560,644	(3,458,987)
	<u>(20,454,317)</u>	<u>(1,136,768)</u>	<u>560,644</u>	<u>(21,030,441)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 20,960,559</u>	<u>\$ 4,171,339</u>	<u>\$ (75,277)</u>	<u>\$ 25,056,621</u>
	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 478,657	\$ 81,144	\$ (29,138)	\$ 530,663
Less Accumulated Depreciation	(361,239)	(11,860)	29,138	(343,961)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 117,418</u>	<u>\$ 69,284</u>	<u>\$ - 0 -</u>	<u>\$ 186,702</u>

The increases totaling \$5,389,251 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 \$2,304,328 with unexpended balances of \$2,304,328 as of June 30, 2023. The District had \$2,304,328 in outstanding construction commitments at June 30, 2023.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 40,257
Student and Instruction Related Services	96,728
General Administrative Services	88,253
School Administrative Services	6,311
Plant Operations and Maintenance	75,138
Pupil Transportation	58,533
Unallocated	771,548
	<u>\$ 1,136,768</u>

NOTE 10. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Lease Assets Being Amortized:				
Machinery and Equipment	\$ 4,316,822		\$(1,927,238)	\$ 2,389,584
Total Lease Assets Being Amortized	<u>4,316,822</u>		<u>(1,927,238)</u>	<u>2,389,584</u>
Governmental Activities Lease Assets	<u>4,316,822</u>		<u>(1,927,238)</u>	<u>2,389,584</u>
Less Accumulated Amortization for:				
Machinery and Equipment	(2,131,938)	\$ (738,042)	1,927,238	(942,742)
	<u>(2,131,938)</u>	<u>(738,042)</u>	<u>1,927,238</u>	<u>(942,742)</u>
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 2,184,884</u>	<u>\$ (738,042)</u>	<u>\$ -0-</u>	<u>\$ 1,446,842</u>

Amortization expense was charged to governmental functions as follows:

Regular Instruction	<u>\$ 738,042</u>
	<u>\$ 738,042</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the District-wide financial statements:

	<u>Balance</u> <u>6/30/2022</u>	<u>Issued/</u> <u>Added</u>	<u>Retired/</u> <u>Matured</u>	<u>Balance</u> <u>6/30/2023</u>
Governmental Activities:				
Serial Bonds Payable	\$ 1,620,000		\$ 1,075,000	\$ 545,000
Unamortized Bond Issuance Premiums	152,703		99,170	53,533
Leases Payable	2,279,795		735,981	1,543,814
Net Pension Liability	6,506,852	\$ 2,159,123		8,665,975
Compensated Absences Payable	4,548,948	17,247	283,947	4,282,248
Total Governmental Activities	<u>15,108,298</u>	<u>2,176,370</u>	<u>2,194,098</u>	<u>15,090,570</u>
Business-Type Activities:				
Net Pension Liability	364,164	82,348		446,512
Total Business-Type Activities	<u>364,164</u>	<u>82,348</u>		<u>446,512</u>
Total District-wide	<u>\$ 15,472,462</u>	<u>\$ 2,258,718</u>	<u>\$ 2,194,098</u>	<u>\$ 15,537,082</u>

A. Bonds Payable:

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

The District had bonds outstanding as of June 30, 2023 as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
School Refunding Bonds	10/05/11	08/15/23	5.00%	<u>\$ 545,000</u>

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

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 545,000</u>	<u>\$ 13,625</u>	<u>\$ 558,625</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2023, 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, 2023

(Continued)

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

C. Leases Payable:

The District had leases outstanding as of June 30, 2023 as follows:

Purpose	Frequency of Payment	Final Maturity Date	Interest Rate	Amount
Savin Copiers	Monthly	02/20/26	3.400%	\$ 243,184
HP Computers	Annual	07/29/25	0.000%	1,300,630
				\$ 1,543,814

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
2024	\$ 738,939	\$ 6,896
2025	741,999	3,836
2026	62,876	804
	\$ 1,543,814	\$ 11,536

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 \$4,282,248 of compensated absences payable at June 30, 2023 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, 2023, 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 entire \$53,533 of unamortized bond issuance premiums at June 30, 2023 is current.

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, 2023 is \$0- and the long-term portion is \$9,112,487 (\$8,665,975 governmental activities and \$446,512 business-type activities). See Note 12 for further information on the PERS.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(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.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A 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. Funding for noncontributory group insurance benefits is based on actual claims paid.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

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.

District contributions to PERS amounted to \$761,447 for the current fiscal year (\$724,482 general fund and \$36,965 proprietary funds). During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$19,173 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District reported a liability of \$9,112,487 for its proportionate share of the net pension liability (\$8,665,975 governmental activities and \$446,512 business-type activities). The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.060%, which was an increase of 0.002% from its proportion measured as of June 30, 2021. For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit in the amount of \$665,002 related to the District's proportionate share of the net pension liability.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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)

Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$19,173 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions:			
2018	5.63		\$ 219,047
2019	5.21		273,734
2020	5.16		804,927
2021	5.13	\$ 28,233	
2022	5.04		66,792
		<u>28,233</u>	<u>1,364,500</u>
Changes in Proportion:			
2018	5.63	39,170	
2019	5.21		45,117
2020	5.16		109,079
2021	5.13		199,308
2022	5.04	363,133	
		<u>402,303</u>	<u>353,504</u>
Difference Between Expected and Actual Experience:			
2018	5.63		8,342
2019	5.21	20,925	
2020	5.16	44,845	
2021	5.13		22,453
2022	5.04		27,205
		<u>65,770</u>	<u>58,000</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:			
2019	5.00	9,015	
2020	5.00	270,886	
2021	5.00	(1,689,610)	
2022	5.00	1,786,867	
		<u>377,158</u>	
District Contribution Subsequent to the Measurement Date - 2022			
	1.00	790,599	
		<u>\$ 1,664,063</u>	<u>\$ 1,776,004</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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 the pension benefit as follows:

Fiscal Year Ending June 30,	Total
2023	\$ (781,660)
2024	(398,230)
2025	(194,209)
2026	423,690
2027	(930)
	\$ (951,339)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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, 2023
(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, 2022 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, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 12,541,643	\$ 9,112,487	\$ 6,381,937

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, 2023
(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 2022, the State's pension contribution was more 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 2023, the State of New Jersey contributed \$9,917,032 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$3,363,919.

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

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

At June 30, 2023, the State's proportionate share of the net pension liability attributable to the District was \$124,993,315. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.2423% which was an increase of 0.0029% from its proportion measured as of June 30, 2021.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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>124,993,315</u>
Total	<u><u>\$ 124,993,315</u></u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$3,363,919 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

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

	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:			
2015	8.30	\$ 213,742,984	
2016	8.30	1,695,809,748	
2017	8.30		\$ 3,681,530,748
2018	8.29		2,705,362,525
2019	8.04		2,012,738,111
2020	7.99	1,007,402,060	
2021	7.93		11,041,509,093
2022	7.83	96,143,072	
		<u>3,013,097,864</u>	<u>19,441,140,477</u>
Difference Between Expected and Actual Experience:			
2015	8.30	13,201,022	
2016	8.30		21,088,845
2017	8.30	65,502,212	
2018	8.29	474,592,771	
2019	8.04		78,198,040
2020	7.99		5,368,990
2021	7.93	146,524,969	
2022	7.83		18,009,041
		<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments:			
2019	5.00	36,220,692	
2020	5.00	482,791,080	
2021	5.00	(2,665,975,358)	
2022	5.00	3,319,334,659	
		<u>1,172,371,073</u>	
		<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$ (14,678,515,482)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table.

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be 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, 2023
(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, 2022 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, 2022		
	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	\$ 146,557,319	\$ 124,993,315	\$ 106,828,352

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 \$52,599 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$93,728 for the fiscal year ended June 30, 2023.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

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 Employees 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 paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. 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, 2021, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	151,669
Active Plan Members	<u>213,148</u>
Total	<u><u>364,817</u></u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

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.

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

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. 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-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. 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, 2021	\$ 127,107,555
Changes for Year:	
Service Cost	5,795,648
Interest on the Total OPEB Liability	2,863,697
Difference between Actual and Expected Experience	4,026,169
Changes of Assumptions	(28,987,943)
Gross Benefit Payments by the State	(2,836,577)
Contributions from Members	90,999
Net Changes	(19,048,007)
Balance at June 30, 2022	\$ 108,059,548

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, 2022 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, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 127,012,632	\$ 108,059,548	\$ 92,869,599

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (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, 2022 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, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 89,317,821	\$ 108,059,548	\$ 132,677,944

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$3,517,563 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, 2022, 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		\$ 5,610,567
	2018	9.51		5,354,078
	2019	9.29	\$ 755,915	
	2020	9.24	17,847,484	
	2021	9.24	98,973	
	2022	9.13		25,812,922
				18,702,372
Differences between Expected and Actual Experience	2018	9.51		5,061,269
	2019	9.29		8,897,159
	2020	9.24	16,634,556	
	2021	9.24		19,033,401
	2022	9.13	2,658,360	
				19,292,916
Changes in Proportion	N/A	N/A	2,385,462	799,898
			\$ 40,380,750	\$ 70,569,294

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (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
2023	\$ (5,370,607)
2024	(5,370,607)
2025	(5,370,607)
2026	(4,641,551)
2027	(2,654,100)
Thereafter	(8,366,636)
	\$ (31,774,108)

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, 2023
(Continued)

NOTE 14. RISK MANAGEMENT (Cont'd)

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

The June 30, 2023 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, 2022 is as follows:

	<u>Northeast Bergen County School Board Insurance Group (NESBIG)</u>
Total Assets	\$ 30,411,159
Net Position	<u>\$ 17,613,833</u>
Total Revenue	<u>\$ 16,642,103</u>
Total Expenses	<u>\$ 18,220,220</u>
Member Dividends	<u>\$ 2,231,474</u>
Change in Net Position for the Year Ended June 30, 2022	<u>\$ (3,809,591)</u>

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.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ -0-	\$ 20,961	\$ 127,329	\$ 127,989	\$ 797,136
2021-2022	-0-	827	156,787	112,506	776,835
2020-2021	-0-	1,413	158,389	111,464	731,727

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 3,147,682	
Special Revenue Fund		\$ 1,574,273
Proprietary Funds:		
Region I Transportation		1,520,127
Food Service	1,031	54,313
	<u>\$ 3,148,713</u>	<u>\$ 3,148,713</u>

During the fiscal year, the General Fund transferred \$2,304,328 to the Capital Projects Fund for the local share of capital projects.

The General Fund interfund receivable of \$3,147,682 is for 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, 2023 and an interfund advanced to the Food Service Enterprise Fund. The Food Service Enterprise Fund interfund receivable of \$1,031 is due from the Special Revenue Fund for special events charges which had not been remitted as of June 30, 2023.

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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, 2023:

	Governmental Funds		District Contribution	Total Governmental Activities
	General Fund	Special Revenue Fund	Subsequent to Measurement Date	
Accrued Salaries and Wages	\$ 227,042			\$ 227,042
Vendors	64,141	\$ 20,400		84,541
Payroll Deductions and Withholdings	29,210			29,210
Due to State of New Jersey			\$ 751,860	751,860
	\$ 320,393	\$ 20,400	\$ 751,860	\$ 1,092,653

	Proprietary Funds	District Contribution	Total Business - Type Funds
	Food Service	Subsequent to Measurement Date	
Vendors	\$ 20,439		\$ 20,439
Due to State of New Jersey		\$ 38,739	38,739
	\$ 20,439	\$ 38,739	\$ 59,178

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 expert 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, 2023
(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, 2023, 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
\$ 2,343,986	\$ 254,758	\$ 2,304,328	\$ 4,903,072

In the District's Governmental Funds Balance Sheet as of June 30, 2023, \$-0- is assigned for encumbrances in the Special Revenue Fund, which is \$254,758 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 \$2,304,328 of fiscal year-end encumbrances in the Capital Projects Fund are included in the \$2,304,328 committed fund balance on a GAAP and budgetary basis at June 30, 2023.

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 NINE 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	2023
District's proportion of the net pension liability	0.0606555673%	0.0594981727%	0.0580003919%	0.0603820780%
District's proportionate share of the net pension liability	\$ 10,929,213	\$ 9,702,596	\$ 6,871,016	\$ 9,112,487
District's covered employee payroll	\$ 4,331,687	\$ 4,214,133	\$ 4,397,847	\$ 4,327,014
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	252.31%	230.24%	156.24%	210.60%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	58.32%	70.33%	62.91%

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 NINE FISCAL YEARS

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

	Fiscal Year Ending June 30,			
	2020	2021	2022	2023
Contractually required contribution	\$ 591,839	\$ 650,880	\$ 679,252	\$ 761,447
Contributions in relation to the contractually required contribution	<u>(591,839)</u>	<u>(650,880)</u>	<u>(679,252)</u>	<u>(761,447)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 4,214,133	\$ 4,397,847	\$ 4,327,014	\$ 4,403,689
Contributions as a percentage of covered employee payroll	14.04%	14.80%	15.70%	17.29%

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 NINE 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	2023	
State's proportion of the net pension liability attributable to the District	0.2312923265%	0.2405763104%	0.2393637791%	0.2422613252%	
State's proportionate share of the net pension liability attributable the District	\$ 141,946,284	\$ 158,416,606	\$ 115,074,588	\$ 124,993,315	
District's covered employee payroll	\$ 26,033,263	\$ 27,021,314	\$ 27,898,674	\$ 28,789,110	
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%	434.17%	
Plan fiduciary net position as a percentage of the total pension liability	26.95%	24.60%	35.52%	32.29%	

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 6,791,955	\$ 9,369,808	\$ 14,461,032	\$ 11,289,669	\$ 8,385,506
Contributions in relation to the contractually required contribution	<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	2023
Contractually required contribution	\$ 8,372,371	\$ 9,851,019	\$ 2,707,756	\$ 3,363,919
Contributions in relation to the contractually required contribution	<u>(5,276,760)</u>	<u>(6,958,016)</u>	<u>(9,973,066)</u>	<u>(9,917,032)</u>
Contribution deficiency/(excess)	<u>\$ 3,095,611</u>	<u>\$ 2,893,003</u>	<u>\$ (7,265,310)</u>	<u>\$ (6,553,113)</u>
District's covered employee payroll	\$ 27,021,314	\$ 27,898,674	\$ 28,789,110	\$ 29,066,467
Contributions as a percentage of covered employee payroll	19.53%	24.94%	34.64%	34.12%

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 4,723,448	\$ 3,912,435	\$ 3,450,735	\$ 3,734,724	\$ 6,552,896	\$ 5,795,648
Interest	3,561,710	4,118,093	3,867,767	3,175,562	3,297,304	2,863,697
Changes in Benefit Terms					(135,291)	
Difference Between Expected and Actual Experience		(8,860,523)	(15,610,147)	23,859,097	(22,818,633)	4,026,169
Changes in Assumptions	(14,902,456)	(11,222,184)	1,314,904	26,047,925	125,401	(28,987,943)
Member Contributions	95,838	90,376	80,247	75,245	84,296	90,999
Gross Benefit Payments	(2,602,711)	(2,614,938)	(2,707,137)	(2,482,530)	(2,597,352)	(2,836,577)
Net Change in Total OPEB Liability	(9,124,171)	(14,576,741)	(9,603,631)	54,410,023	(15,491,379)	(19,048,007)
Total OPEB Liability - Beginning	121,493,454	112,369,283	97,792,542	88,188,911	142,598,934	127,107,555
Total OPEB Liability - Ending	\$ 112,369,283	\$ 97,792,542	\$ 88,188,911	\$ 142,598,934	\$ 127,107,555	\$ 108,059,548
District's Covered Employee Payroll *	\$ 28,127,318	\$ 27,955,301	\$ 29,357,628	\$ 30,364,950	\$ 31,235,447	\$ 32,296,521
Total OPEB Liability as a Percentage of Covered Employee Payroll	400%	350%	300%	470%	407%	335%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2022 is based on the payroll on the June 30, 2016 - 2021 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, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% - 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00% - 6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% - 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55% - 4.45% through 2026 and 2.75% - 5.65% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% 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 rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 67,621,781		\$ 67,621,781	\$ 67,621,781	
Unrestricted Miscellaneous Revenues	15,000		15,000	45,394	\$ 30,394
Interest Earned on Capital Reserve Funds	100		100	122,011	121,911
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	1,095,748	915,748
Total - Local Sources	67,817,081		67,817,081	68,884,934	1,067,853
State Sources:					
Transportation Aid	754,059		754,059	754,059	
Extraordinary Special Education Costs Aid	250,000		250,000	1,320,839	1,070,839
Special Education Categorical Aid	2,819,253		2,819,253	2,819,253	
Categorical Security Aid	268,685		268,685	268,685	
Nonpublic School Transportation Costs				60,375	60,375
State Reimbursement for Lead Testing of Drinking Water				5,704	5,704
Securing Our Children's Future Bond Act				160,647	160,647
On-Behalf TPAF Contributions (Non-Budgeted):					
Post-Retirement Medical Benefits				2,641,324	2,641,324
Pension				9,917,032	9,917,032
Non-Contributory Insurance				137,588	137,588
Long-Term Disability Insurance				3,643	3,643
Reimbursed TPAF Social Security (Non-Budgeted)				2,086,949	2,086,949
Total State Sources	4,091,997		4,091,997	20,176,098	16,084,101
Federal Sources:					
Medicaid Reimbursement (SEMI)	32,560		32,560	60,403	27,843
Total Federal Sources	32,560		32,560	60,403	27,843
TOTAL REVENUES	71,941,638		71,941,638	89,121,435	17,179,797

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 776,564	\$ (25,000)	\$ 751,564	\$ 751,564	
Grades 1-5 - Salaries of Teachers	5,726,376	(470,016)	5,256,360	5,253,368	\$ 2,992
Grades 6-8 - Salaries of Teachers	3,893,224	(83,413)	3,809,811	3,809,192	619
Grades 9-12 - Salaries of Teachers	6,300,049	(83,967)	6,216,082	6,212,734	3,348
Regular Programs - Home Instruction:					
Salaries of Teachers	35,000	24,852	59,852	59,852	
Purchased Professional - Educational Services	25,000	7,659	32,659	32,659	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	274,549	106,810	381,359	381,359	
Purchased Professional - Educational Services	490,000	(62,026)	427,974	427,974	
Other Purchased Services (400-500 series)	1,086,734	(94,225)	992,509	992,307	202
General Supplies	958,847	(192,077)	766,770	632,380	134,390
Textbooks	57,717	(6,419)	51,298	32,146	19,152
Other Objects	29,772	23,092	52,864	46,559	6,305
Total Regular Programs - Instruction	19,653,832	(854,730)	18,799,102	18,632,094	167,008
Special Education - Instruction:					
Learning and/or Language Disabilities - Mild to Moderate:					
Salaries of Teachers	544,079	256,593	800,672	800,122	550
Other Salaries for Instruction	256,417	(81,627)	174,790	174,790	
General Supplies	26,308	(3,091)	23,217	23,196	21
Textbooks	1,879	(442)	1,437	1,409	28
Total Learning and/or Language Disabilities - Mild to Moderate	828,683	171,433	1,000,116	999,517	599

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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	\$ 4,375,200	\$ 235,002	\$ 4,610,202	\$ 4,609,359	\$ 843
Other Salaries for Instruction	39,027	(12,487)	26,540	26,386	154
General Supplies	5,092	(835)	4,257	4,257	
Textbooks					
Total Resource Room/Resource Center	4,419,319	382,879	4,802,198	4,801,201	997
Preschool Disabilities - Part-Time:					
Salaries of Teachers	203,923	(7,998)	195,925	195,925	
Other Salaries for Instruction	68,956	(25,890)	43,066	43,066	
General Supplies	3,313	(82)	3,231	2,834	397
Total Preschool Disabilities - Part-Time	276,192	(33,970)	242,222	241,825	397
Home Instruction:					
Salaries of Teachers	40,000	(40,000)	5,000		5,000
Purchased Professional - Educational Services	5,000		5,000		5,000
Total Home Instruction	45,000	(40,000)	5,000		5,000
Total Special Education Instruction	5,569,194	480,342	6,049,536	6,042,543	6,993
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,230,376	(362,968)	867,408	867,408	
General Supplies	21,699	(2,580)	19,119	12,325	6,794
Textbooks	53,019	(12,973)	40,046	943	39,103
Total Basic Skills/Remedial - Instruction	1,305,094	(378,521)	926,573	880,676	45,897

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 247,938	\$ (18,275)	\$ 229,663	\$ 229,662	\$ 1
General Supplies	3,280		3,280	2,652	628
Total Bilingual Education - Instruction	251,218	(18,275)	232,943	232,314	629
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	500,000	(11,714)	488,286	474,947	13,339
Supplies and Materials	18,144		18,144	12,070	6,074
Other Objects	28,400	4,000	32,400	24,993	7,407
Total School-Sponsored Cocurricular Activities - Instruction	546,544	(7,714)	538,830	512,010	26,820
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	615,914	88,990	704,904	704,796	108
Purchased Services (300-500 series)	167,473	(3,843)	163,630	145,067	18,563
Supplies and Materials	135,692	4,880	140,572	119,398	21,174
Other Objects	16,601	(4,844)	11,757	11,757	
Total School-Sponsored Cocurricular Athletics - Instruction	935,680	85,183	1,020,863	981,018	39,845
Summer School - Instruction:					
Salaries of Teachers		11,464	11,464	11,464	
Total Summer School - Instruction		11,464	11,464	11,464	
Total Instruction	28,261,562	(682,251)	27,579,311	27,292,119	287,192

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 30,000	\$ (26,036)	\$ 3,964	\$ 3,964	
Tuition to Other LEAs Within the State - Special	1,440,797	(121,731)	1,319,066	1,255,792	\$ 63,274
Tuition to County Vocational Schools - Regular	437,976		437,976	437,034	942
Tuition to County Vocational Schools - Special	65,880	(65,880)			
Tuition to County Special Services Schools and Regional Day Schools	972,676	76,764	1,049,440	1,004,897	44,543
Tuition to Private Schools for the Disabled - Within the State	3,308,817	(338,092)	2,970,725	2,578,499	392,226
Tuition to Private Schools for the Disabled and Other LEA's - Outside the State		221,038	221,038	221,038	
Tuition - Other	27,795	(27,795)			
Total Undistributed Expenditures - Instruction	6,283,941	(281,732)	6,002,209	5,501,224	500,985
Health Services:					
Salaries	670,461	(2,575)	667,886	656,682	11,204
Purchased Professional and Technical Services	31,500	(900)	30,600	30,306	294
Supplies and Materials	11,046	3,622	14,668	14,163	505
Total Health Services	713,007	147	713,154	701,151	12,003
Speech, OT, PT and Related Services:					
Salaries	457,659	43,022	500,681	495,456	5,225
Purchased Professional - Educational Services	1,652,216	213,058	1,865,274	1,795,815	69,459
Supplies and Materials	8,000	(2,128)	5,872	5,872	
Other Objects	10,000	1,596	11,596	11,595	1
Total - Speech, OT, PT and Related Services	2,127,875	255,548	2,383,423	2,308,738	74,685

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Other Support Services - Students - Extraordinary Services:					
Salaries	\$ 2,409,188	\$ (15,497)	\$ 2,393,691	\$ 2,393,685	\$ 6
Purchased Professional - Educational Services	778,757	337,230	1,115,987	926,296	189,691
Supplies and Materials		5,000	5,000	1,695	3,305
Other Objects		10,000	10,000	5,388	4,612
Total Other Support Services - Students - Extraordinary Services	3,187,945	336,733	3,524,678	3,327,064	197,614
Guidance:					
Salaries of Other Professional Staff	893,561	67,027	960,588	960,588	
Salaries of Secretarial and Clerical Assistants	112,000	(9,453)	102,547	102,546	1
Other Purchased Professional and Technical Services		3,416	3,416	3,384	32
Supplies and Materials	27,688	(1,893)	25,795	19,567	6,228
Other Objects	109,744	(3,417)	106,327	99,386	6,941
Total Guidance	1,142,993	55,680	1,198,673	1,185,471	13,202
Child Study Team:					
Salaries of Other Professional Staff	1,934,834	(159,221)	1,775,613	1,775,613	
Salaries of Secretarial and Clerical Assistants	119,000	(1,270)	117,730	116,490	1,240
Other Purchased Services (400-500 series)	11,500	34	11,534	11,323	211
Supplies and Materials	15,385		15,385	7,410	7,975
Other Objects	5,802		5,802	5,614	188
Total Child Study Team	2,086,521	(160,457)	1,926,064	1,916,450	9,614

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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	\$ 169,330	\$ 4,591	\$ 173,921	\$ 173,917	\$ 4
Salaries of Other Professional Staff	1,325,169	(28,967)	1,296,202	1,274,130	22,072
Salaries of Secretarial and Clerical Assistants	59,000		59,000	59,000	
Other Salaries	50,000		50,000	37,525	12,475
Other Purchased Professional and Technical Services	93,919	(1,369)	92,550	23,290	69,260
Other Purchased Services (400-500 series)	5,591	1,369	6,960	6,839	121
Supplies and Materials	7,500	20,000	27,500	15,101	12,399
Other Objects	5,500	500	6,000	5,398	602
Total Improvement of Instructional Services	1,716,009	(3,876)	1,712,133	1,595,200	116,933
Educational Media Services/School Library:					
Salaries	421,480	56,810	478,290	396,219	82,071
Supplies and Materials	294,384	(65,927)	228,457	200,464	27,993
Other Objects	2,500		2,500	2,000	500
Total Educational Media Services/School Library	718,364	(9,117)	709,247	598,683	110,564
Instructional Staff Training Services:					
Other Salaries	10,500		10,500	1,245	9,255
Other Purchased Professional and Technical Services	57,000	24,500	81,500	8,676	72,824
Other Purchased Services (400-500 series)	20,015		20,015	13,702	6,313
Supplies and Materials	15,000		15,000	15,000	15,000
Other Objects	13,860		13,860	2,684	11,176
Total Instructional Staff Training Services	116,375	24,500	140,875	26,307	114,568

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Support Services - General Administration:					
Salaries	\$ 297,722		\$ 297,722	\$ 297,722	\$ 45,001
Legal Services	129,923	\$ 22,825	152,748	107,747	50,000
Audit Fees	95,000	1,500	96,500	46,500	9,228
Architectural/Engineering Services	11,426	15,486	26,912	17,684	35,906
Other Purchased Professional Services	42,000	(6,094)	35,906	7,590	163,825
Purchased Technical Services	40,000	(31,934)	8,066	7,590	7,152
Communications/Telephone	196,000	(32,006)	163,994	163,825	5,000
BOE Other Purchased Services	7,500	1,752	9,252	7,152	2,677
General Supplies	5,000		5,000	4,033	27
BOE In-House Training/Meeting Supplies	2,677		2,677	2,650	436
Miscellaneous Expenditures	4,500	1,180	5,680	5,244	1,314
BOE Membership Dues and Fees	33,000	(1,180)	31,820	30,506	109,718
Total Support Services - General Administration	864,748	(28,471)	836,277	726,559	4,095
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,607,043	29,812	1,636,855	1,632,760	2
Salaries of Secretarial and Clerical Assistants	740,232	(34,209)	706,023	706,021	5,000
Purchased Professional and Technical Services	5,000		5,000		2,170
Other Purchased Services (400-500 series)	5,000	(1,009)	3,991	1,821	55,359
Supplies and Materials	159,572	1,005	160,577	105,218	32,192
Other Objects	38,742	(1,000)	37,742	32,192	72,176
Total Support Services - School Administration	2,555,589	(5,401)	2,550,188	2,478,012	

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Central Services:					
Salaries	\$ 791,616	\$ 5,796	\$ 797,412	\$ 797,412	\$ 15,122
Purchased Technical Services	162,500	33,236	195,736	180,614	1,199
Miscellaneous Purchased Services (400-500 series)	5,000	(169)	4,831	3,632	8
Supplies and Materials	11,000	180	11,180	11,172	391
Miscellaneous Expenditures	15,000	(4,900)	10,100	9,709	16,720
Total Central Services	985,116	34,143	1,019,259	1,002,539	
Administration Information Technology:					
Salaries	491,661	(22,372)	469,289	469,289	32,332
Purchased Professional Services	389,776	90,956	480,732	448,400	8,245
Purchased Technical Services	51,390	(7,553)	43,837	35,592	143,943
Supplies and Materials	444,527	(102,889)	341,638	197,695	5,000
Other Objects	5,000		5,000		
Total Administration Information Technology	1,382,354	(41,858)	1,340,496	1,150,976	189,520
Required Maintenance for School Facilities:					
Salaries	580,418	(27,126)	553,292	544,318	8,974
Cleaning, Repair and Maintenance Services	2,150,582	509,386	2,659,968	1,977,781	682,187
General Supplies	169,431	(12,611)	156,820	119,199	37,621
Other Objects		5,604	5,604	4,308	1,296
Total Required Maintenance for School Facilities	2,900,431	475,253	3,375,684	2,645,606	730,078

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 148,316	\$ (5,486)	\$ 142,830	\$ 142,829	\$ 1
Purchased Professional and Technical Services	2,188,280	(111,310)	2,076,970	2,032,065	44,905
Cleaning, Repair and Maintenance Services	410,275	(343,246)	67,029	58,226	8,803
Rental of Land and Buildings Other Than Lease Purchase Agreements		7,659	7,659	7,659	
Insurance	500,000	10,761	510,761	510,760	1
Miscellaneous Purchased Services	73,250	(10,240)	63,010	53,884	9,126
General Supplies	300,013	50,995	351,008	317,198	33,810
Energy (Natural Gas)	270,000	70,700	340,700	336,730	3,970
Energy (Electricity)	836,000	73,517	909,517	909,514	3
Total Custodial Services	4,726,134	(256,650)	4,469,484	4,368,865	100,619
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	340,000	(175,916)	164,084	123,219	40,865
Total Care and Upkeep of Grounds	340,000	(175,916)	164,084	123,219	40,865
Security:					
Purchased Professional and Technical Services	65,882	37,696	103,578	84,671	18,907
Cleaning, Repair and Maintenance Services	399,208	(345,799)	53,409	53,409	
General Supplies	59,768	(42,485)	17,283	17,283	
Total Security	524,858	(350,588)	174,270	155,363	18,907

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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 Education	\$ 369,532	\$ 71,913	\$ 441,445	\$ 441,445	
Other Than Between Home and School - Regular	50,000	(50,000)			
Other Purchased Professional and Technical Services	5,000	(5,000)			
Cleaning, Repair and Maintenance Services	15,587	(1,804)	13,783	13,783	
Contracted Services:					
Aid in Lieu Payments - Nonpublic Schools	150,000	52,532	202,532	196,922	\$ 5,610
Between Home and School - Vendors	1,937,748	67,383	2,005,131	2,005,131	
Other Than Between Home and School - Vendors	229,375	141,453	370,828	352,729	18,099
Special Education Students - Vendors	100,000	(31,465)	68,535	56,900	11,635
Regular Students - ESCs & CTSA's	300,000	(52,000)	248,000	239,835	8,165
Special Education Students - ESCs & CTSA's	1,500,000	1,549,419	3,049,419	2,721,214	328,205
Miscellaneous Purchased Services	16,500	(362)	16,138	16,133	5
General Supplies	89,317	(15,070)	74,247	62,543	11,704
Total Student Transportation Services	4,763,059	1,726,999	6,490,058	6,106,635	383,423
Unallocated Benefits:					
Group Insurance	17,539	855	18,394	18,394	
Social Security Contributions	650,000	85,584	735,584	735,583	1
Other Retirement Contributions - PERS	685,000	40,144	725,144	724,482	662
Other Retirement Contributions - Regular	50,000	2,599	52,599	52,599	
Workmen's Compensation	212,099	(9,682)	202,417	199,312	3,105
Health Benefits	8,301,048	(769,149)	7,531,899	7,468,521	63,378
Tuition Reimbursement	163,585		163,585	115,665	47,920
Other Employee Benefits	170,394		170,394	95,212	75,182
Unused Sick Payment to Terminated/Retired Staff	275,000		275,000	263,769	11,231
Total Unallocated Benefits	10,524,665	(649,649)	9,875,016	9,673,537	201,479

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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				\$ 2,641,324	\$ (2,641,324)
Pension				9,917,032	(9,917,032)
Non-Contributory Insurance				137,588	(137,588)
Long-Term Disability Insurance				3,643	(3,643)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				2,086,949	(2,086,949)
Total On-Behalf and Reimbursed TPAF Contributions				14,786,536	(14,786,536)
Total Personal Services - Employee Benefits	\$ 10,524,665	\$ (649,649)	\$ 9,875,016	24,460,073	(14,585,057)
Total Undistributed Expenses	47,659,984	945,288	48,605,272	60,378,135	(11,772,863)
TOTAL GENERAL CURRENT EXPENSE	75,921,546	263,037	76,184,583	87,670,254	(11,485,671)
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Instruction	26,247		26,247	26,247	
Required Maintenance for School Facilities	145,000		145,000	144,785	215
Student Transportation - School Buses - Regular	135,000	22,971	157,971		157,971
Total Equipment	306,247	22,971	329,218	171,032	158,186
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	259,563	6,492	266,055	140,817	125,238
Construction Services	907,938	3,424,994	4,332,932	3,051,217	1,281,715
Assessment for Debt Service on SDA Funding	79,684		79,684	79,684	
Total Facilities Acquisition and Construction Services	1,247,185	3,431,486	4,678,671	3,271,718	1,406,953

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
TOTAL CAPITAL OUTLAY	\$ 1,553,432	\$ 3,454,457	\$ 5,007,889	\$ 3,442,750	\$ 1,565,139
TOTAL EXPENDITURES	<u>77,474,978</u>	<u>3,717,494</u>	<u>81,192,472</u>	<u>91,113,004</u>	<u>(9,920,532)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(5,533,340)	(3,717,494)	(9,250,834)	(1,991,569)	7,259,265
Other Financing Sources/(Uses):					
Transfer to Capital Projects Fund - Capital Reserve	(3,200,000)	(704,328)	(3,904,328)	(2,304,328)	1,600,000
Total Other Financing Sources/(Uses)	<u>(3,200,000)</u>	<u>(704,328)</u>	<u>(3,904,328)</u>	<u>(2,304,328)</u>	<u>1,600,000</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(8,733,340)	(4,421,822)	(13,155,162)	(4,295,897)	8,859,265
Fund Balance, July 1	22,346,650		22,346,650	22,346,650	
Fund Balance, June 30	<u>\$ 13,613,310</u>	<u>\$ (4,421,822)</u>	<u>\$ 9,191,488</u>	<u>\$ 18,050,753</u>	<u>\$ 8,859,265</u>
Recapitulation:					
Restricted:					
Excess Surplus				\$ 2,167,561	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,183,574	
Capital Reserve				3,781,058	
Maintenance Reserve				2,156,753	
Emergency Reserve				508,900	
Unemployment Compensation				797,136	
Assigned:					
Year-End Encumbrances				2,343,986	
Designated for Subsequent Year's Expenditures				2,407,955	
Unassigned				<u>2,703,830</u>	
				<u>18,050,753</u>	
Reconciliation to Governmental Funds Statement (GAAP):				(291,558)	
June State Aid Payments not Recognized on GAAP Basis					
Fund Balance per Governmental Funds (GAAP)				<u>\$ 17,759,195</u>	

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 14,550	\$ 3,543	\$ 18,093	\$ 5,073	\$ (13,020)
Federal Sources	676,700	2,637,424	3,314,124	3,058,327	(255,797)
Local Sources		869,436	869,436	1,125,235	255,799
Total Revenues	691,250	3,510,403	4,201,653	4,188,635	(13,018)
EXPENDITURES:					
Instruction					
Personal Services - Salaries	128,000	72,507	200,507	200,507	
Tuition	488,000	339,383	827,383	827,383	
General Supplies	11,000	4,300	15,300	15,300	
Textbooks	1,300	878	2,178	788	1,390
Other Objects	14,550	77,445	91,995	81,166	10,829
Total Instruction	642,850	494,513	1,137,363	1,125,144	12,219
Support Services					
Personal Services - Salaries		174,792	174,792	170,590	4,202
Personal Services - Employee Benefits		92,629	92,629	58,337	34,292
Purchased Professional and Technical Services		413,432	413,432	329,278	84,154
Other Purchased Services	48,400	85,751	134,151	249,981	134,151
Transportation		249,981	249,981	249,981	
Other Objects		9,444	9,444	9,444	
Student Activities		765,854	765,854	765,854	
Scholarships Awarded		26,500	26,500	26,500	
Total Support Services	48,400	1,818,383	1,866,783	1,609,984	256,799
Facilities Acquisition and Construction:					
Non-Instructional Equipment Buildings		9,835	9,835	9,835	
		1,187,672	1,187,672	1,187,672	
Total Facilities Acquisition and Construction		1,197,507	1,197,507	1,197,507	
Total Expenditures	691,250	3,510,403	4,201,653	3,932,635	269,018
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 256,000	\$ 256,000

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 89,121,435	\$ 4,188,635
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		(254,758)
Prior Year Encumbrances		17,649
Cancellation of Prior Year Encumbrances		(1,149)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	250,703	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(291,558)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 89,080,580</u>	<u>\$ 3,950,377</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 91,113,004	\$ 3,932,635
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		(254,758)
Prior Year Encumbrances		17,649
Cancellation of Prior Year Encumbrances		<u>(1,149)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 91,113,004</u>	<u>\$ 3,694,377</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023 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, 2023

	<u>Elementary and Secondary Education Act</u>			<u>IDEA - Part B, Basic</u>	
	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Regular</u>	<u>Preschool</u>
REVENUE:					
State Sources					
Federal Sources	\$ 145,152	\$ 75,767	\$ 19,766	\$ 620,635	\$ 35,130
Local Sources					
Total Revenue	\$ 145,152	\$ 75,767	\$ 19,766	\$ 620,635	\$ 35,130
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	\$ 40,000				
Tuition				\$ 620,635	\$ 35,130
General Supplies			\$ 15,300		
Textbooks					
Other Objects					
Total Instruction	40,000		15,300	620,635	35,130
Support Services:					
Personal Services - Salaries	84,752		3,200		
Personal Services - Employee Benefits	20,400				
Purchased Professional and Technical Services		\$ 75,767	1,266		
Transportation					
Other Objects					
Student Activities					
Scholarships Awarded					
Total Support Services	105,152	75,767	4,466		
Facilities Acquisition and Construction:					
Non-Instructional Equipment					
Buildings					
Total Facilities Acquisition and Construction					
Total Expenditures	\$ 145,152	\$ 75,767	\$ 19,766	\$ 620,635	\$ 35,130

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	COVID-19 - ARP			
	ESSER III	Accelerated Learning Coaching and Educator Support	Evidence-Based Summer Learning and Enrichment Activities	Evidence-Based Comprehensive Beyond the School Day Activities
REVENUE:				
State Sources				
Federal Sources	\$ 1,343,869	\$ 198,444	\$ 20,288	\$ 40,000
Local Sources				
Total Revenue	\$ 1,343,869	\$ 198,444	\$ 20,288	\$ 40,000
EXPENDITURES:				
Instruction:				
Personal Services - Salaries		\$ 160,507		
Tuition				
General Supplies				
Textbooks				
Other Objects				
Total Instruction		160,507		
Support Services:				
Personal Services - Salaries			\$ 20,288	\$ 40,000
Personal Services - Employee Benefits		37,937		
Purchased Professional and Technical Services	\$ 156,197			
Transportation				
Other Objects				
Student Activities				
Scholarships Awarded				
Total Support Services	156,197	37,937	20,288	40,000
Facilities Acquisition and Construction:				
Non-Instructional Equipment				
Buildings	1,187,672			
Total Facilities Acquisition and Construction	1,187,672			
Total Expenditures	\$ 1,343,869	\$ 198,444	\$ 20,288	\$ 40,000

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>COVID-19 CRRSA</u>		<u>ACSERS</u>	<u>FEMA</u>
	<u>Learning Acceleration</u>	<u>Mental Health</u>		<u>Hurricane Ida</u>
REVENUE:				
State Sources				
Federal Sources	\$ 35,394	\$ 45,000	\$ 469,047	\$ 9,835
Local Sources				
Total Revenue	<u>\$ 35,394</u>	<u>\$ 45,000</u>	<u>\$ 469,047</u>	<u>\$ 9,835</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries				
Tuition			\$ 171,618	
General Supplies				
Textbooks				
Other Objects				
Total Instruction			<u>171,618</u>	
Support Services:				
Personal Services - Salaries	\$ 22,350			
Personal Services - Employee Benefits				
Purchased Professional and Technical Services	3,600	\$ 45,000	47,448	
Transportation			249,981	
Other Objects	9,444			
Student Activities				
Scholarships Awarded				
Total Support Services	<u>35,394</u>	<u>45,000</u>	<u>297,429</u>	
Facilities Acquisition and Construction:				
Non-Instructional Equipment Buildings				\$ 9,835
Total Facilities Acquisition and Construction				<u>9,835</u>
Total Expenditures	<u>\$ 35,394</u>	<u>\$ 45,000</u>	<u>\$ 469,047</u>	<u>\$ 9,835</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	NJ Nonpublic			
	Nursing	Technology	Security	Textbooks
REVENUE:				
State Sources	\$ 1,344	\$ 482	\$ 2,459	\$ 788
Federal Sources				
Local Sources				
Total Revenue	<u>\$ 1,344</u>	<u>\$ 482</u>	<u>\$ 2,459</u>	<u>\$ 788</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries				
Tuition				
General Supplies				
Textbooks				\$ 788
Other Objects	\$ 1,344	\$ 482	\$ 2,459	
Total Instruction	<u>1,344</u>	<u>482</u>	<u>2,459</u>	<u>788</u>
Support Services:				
Personal Services - Salaries				
Personal Services - Employee Benefits				
Purchased Professional and Technical Services				
Transportation				
Other Objects				
Student Activities				
Scholarships Awarded				
Total Support Services				
Facilities Acquisition and Construction:				
Non-Instructional Equipment				
Buildings				
Total Facilities Acquisition and Construction				
Total Expenditures	<u>\$ 1,344</u>	<u>\$ 482</u>	<u>\$ 2,459</u>	<u>\$ 788</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Student Activities	Scholarships	Local Programs Other	Totals June 30, 2023
REVENUE:				
State Sources				\$ 5,073
Federal Sources				3,058,327
Local Sources	\$ 1,002,925	\$ 45,429	\$ 76,881	1,125,235
Total Revenue	\$ 1,002,925	\$ 45,429	\$ 76,881	\$ 4,188,635
EXPENDITURES:				
Instruction:				
Personal Services - Salaries				\$ 200,507
Tuition				827,383
General Supplies				15,300
Textbooks				788
Other Objects			\$ 76,881	81,166
Total Instruction			76,881	1,125,144
Support Services:				
Personal Services - Salaries				170,590
Personal Services - Employee Benefits				58,337
Purchased Professional and Technical Services				329,278
Transportation				249,981
Other Objects				9,444
Student Activities	\$ 765,854			765,854
Scholarships Awarded		\$ 26,500		26,500
Total Support Services	765,854	26,500		1,609,984
Facilities Acquisition and Construction:				
Non-Instructional Equipment				9,835
Buildings				1,187,672
Total Facilities Acquisition and Construction				1,197,507
Total Expenditures	\$ 765,854	\$ 26,500	\$ 76,881	\$ 3,932,635

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, 2023

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	<u>\$ 2,304,328</u>
Total Revenue and Other Financing Sources	<u>2,304,328</u>
Expenditures:	
Construction Services	<u>195,620</u>
Total Expenditures	<u>195,620</u>
Excess of Revenue and Other Financing Sources Over Expenditures	2,108,708
Fund Balance - Beginning	<u>195,620</u>
Fund Balance - Ending	<u><u>\$ 2,304,328</u></u>
<u>Recapitulation of Fund Balance at June 30, 2023:</u>	
Committed - Year-End Encumbrances	<u>\$ 2,304,328</u>
Fund Balance per Governmental Funds (Budgetary Basis and GAAP Basis)	<u><u>\$ 2,304,328</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, 2023

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 200,430		\$ 200,430	\$ 200,430
Total Revenue and Other Financing Sources	200,430	\$ -0-	200,430	200,430
Expenditures:				
Construction Services	4,810	195,620	200,430	200,430
Total Expenditures	4,810	195,620	200,430	200,430
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 195,620	\$ (195,620)	\$ -0-	\$ -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	100.00%
Original Target Completion Date	Fall 2022
Revised Target Completion Date	N/A

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
GEORGE WASHINGTON SCHOOL HVAC UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 2,304,328	\$ 2,304,328	\$ 2,304,328
Total Revenue and Other Financing Sources	\$ -0-	2,304,328	2,304,328	2,304,328
Expenditures:				
Construction Services				2,304,328
Total Expenditures	-0-	-0-	-0-	2,304,328
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ -0-	\$ 2,304,328	\$ 2,304,328	\$ -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	\$ 1,600,000
Additional Authorization	\$ 704,328
Change Orders	\$ -0-
Revised Authorized Cost	\$ 2,304,328
Change Order Percentage	0.00%
Percentage Completion	0.00%
Original Target Completion Date	6/30/24
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023

	Business-Type Activities - Enterprise Funds						
	Major Funds			Non-Major Funds			
	Region I Transportation	Administration	Region I Summer School	Food Service	Non-Major Funds	Total Region I	Total Enterprise Funds
ASSETS:							
Current Assets:							
Cash and Cash Equivalents	\$	685,156	\$	34,777	\$	721,496	\$
Receivable from:							
Federal Government				22,211	22,211		22,211
State Government				1,081	1,081		1,081
Other Governmental Units	\$	1,576,566	16,310			1,592,876	1,592,876
Interfund Receivable:							
Special Revenue Fund				1,031	1,031		1,031
Inventories				46,696	46,696		46,696
Total Current Assets	1,576,566	701,466	34,777	792,515	827,292	2,312,809	3,105,324
Non-Current Assets:							
Capital Assets				530,663	530,663		530,663
Less: Accumulated Depreciation				(343,961)	(343,961)		(343,961)
Total Non-Current Assets				186,702	186,702		186,702
Total Assets	1,576,566	701,466	34,777	979,217	1,013,994	2,312,809	3,292,026
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred Outflows Related to Pensions		81,539				81,539	81,539
Total Deferred Outflows of Resources		81,539				81,539	81,539

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023

	Business-Type Activities - Enterprise Funds						
	Major Funds			Non-Major Funds			
	Region I Transportation	Administration	Region I Summer School	Food Service	Non-Major Funds	Total Region I	Total Enterprise Funds
LIABILITIES:							
Current Liabilities:							
Interfund Payable - General Fund	\$ 1,520,127			\$ 54,313	\$ 54,313	\$ 1,520,127	\$ 1,574,440
Accounts Payable		\$ 38,739		20,439	20,439	38,739	59,178
Unearned Revenue:							
Prepaid Student Balances				36,390	36,390		36,390
Commodities				12,492	12,492		12,492
Supply Chain Assistance				32,752	32,752		32,752
Noncurrent Liabilities:							
Due Beyond One Year						446,512	446,512
Total Liabilities	1,520,127			156,386	156,386	2,005,378	2,161,764
DEFERRED INFLOWS OF RESOURCES:							
Deferred Inflows Related to Pensions						87,025	87,025
Total Deferred Inflows of Resources						87,025	87,025
NET POSITION:							
Investment in Capital Assets				186,702	186,702		186,702
Unrestricted	56,439	210,729	\$ 34,777	636,129	670,906	301,945	938,074
Total Net Position	\$ 56,439	\$ 210,729	\$ 34,777	\$ 822,831	\$ 857,608	\$ 301,945	\$ 1,124,776

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, 2023

	Business-Type Activities - Enterprise Funds						
	Major Funds			Non-Major Funds			Total
	Region I	Region I Administration	Region I Summer School	Food Service	Non-Major Funds	Total Region I	Total Enterprise Funds
Operating Revenue:							
Charges for Services:							
Daily Sales:							
Reimbursable Programs				\$ 183,911	\$ 183,911		\$ 183,911
Non-Reimbursable Programs				873,073	873,073		873,073
Program Fees	\$ 445,490					\$ 445,490	445,490
Transportation Fees from Other LEA's Within the State		445,490		1,056,984	1,056,984	18,328,421	18,328,421
Special Events				4,596	4,596		4,596
Total Operating Revenue	18,328,421	445,490		1,061,580	1,061,580	18,773,911	19,835,491
Operating Expenses:							
Cost of Sales:							
Reimbursable				359,293	359,293		359,293
Non-Reimbursable				277,245	277,245		277,245
Total Cost of Sales				636,538	636,538		636,538
Salaries, Benefits & Payroll Taxes				518,690	518,690	242,281	760,971
Contracted Services	18,273,424	242,281		50,925	50,925	18,273,424	18,324,349
Purchased Professional/Technical Services		1,840				1,840	1,840
Purchased Property Services				31,916	31,916		31,916
Other Purchased Services				1,320	1,320		1,320
Supplies and Materials				103,764	103,764		103,764
Rent							
General Supplies		37,500				37,500	37,500
Miscellaneous Expenses		14,651				14,651	14,651
Depreciation Expense		2,992		11,553	11,553	2,992	14,545
				11,860	11,860		11,860
Total Operating Expenses	18,273,424	299,264		1,366,566	1,366,566	18,572,688	19,939,254

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds						
	Major Funds			Non-Major Funds			Total
	Region I	Region I	Food	Non-Major	Total	Region I	Enterprise
Transportation	Administration	Summer School	Service	Funds	Funds		Funds
Operating Income/(Loss)	\$ 54,997	\$ 146,226	\$ - 0 -	\$ (304,986)	\$ (304,986)	\$ 201,223	\$ (103,763)
Non-Operating Revenue:							
Federal Sources:							
National School Lunch Program			257,312		257,312		257,312
COVID-19 - Supply Chain Assistance Award			101,870		101,870		101,870
Local Food for Schools (LFS) Cooperative			540		540		540
Food Distribution Program			58,820		58,820		58,820
Paycheck Protection Plan - Reimbursement from							
Food Service Management Contractor			61,530		61,530		61,530
State Sources - School Lunch Program			12,774		12,774		12,774
Local Sources:							
Interest Revenue			12,308		12,308		12,308
Total Non-Operating Revenue			505,154		505,154		505,154
Change in Net Position	54,997	146,226	200,168	200,168	200,168	201,223	401,391
Net Position - Beginning of Year	1,442	64,503	622,663	657,440	657,440	100,722	723,385
Net Position - End of Year	\$ 56,439	\$ 210,729	\$ 822,831	\$ 857,608	\$ 857,608	\$ 301,945	\$ 1,124,776

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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	\$ 18,204,007	\$ 441,554		\$ 1,272,478	\$ 1,272,478	\$ 19,918,039
Payments to/for Employees		(355,509)			(355,509)	(355,509)
Payments to Food Service Vendor				(1,286,677)	(1,286,677)	(1,286,677)
Payments to Transportation Vendors					(18,276,994)	(18,276,994)
Payments to Suppliers		(59,417)		(28,199)	(28,199)	(87,616)
	(72,987)	26,628	\$ - 0 -	(42,398)	(42,398)	(88,757)
Net Cash Provided by/(Used for) Operating Activities						
Cash Flows from Investing Activities:						
Interest Income				12,308	12,308	12,308
Net Cash Provided by Investing Activities						
				12,308	12,308	12,308
Cash Flows from Noncapital and Related Financing Activities:						
Federal Subsidy Reimbursements Collected in Food Service Fund				338,284	338,284	338,284
State Subsidy Reimbursements Collected in Food Service Fund				14,055	14,055	14,055
COVID-19 - Supply Chain Assistance Award				134,622	134,622	134,622
Cash Received - Payroll Protection Plan - Reimbursement from Food Service Management Company				61,530	61,530	61,530
Cash Received - Interfund Payable - General Fund	72,987					72,987
Net Cash Provided by Noncapital and Related Financing Activities	72,987			548,491	548,491	621,478
Cash Flows from Capital and Related Financing Activities:						
Purchase of Capital Assets				(81,144)	(81,144)	(81,144)
Net Cash Used for Capital and Related Financing Activities						
				(81,144)	(81,144)	(81,144)
Net Increase/(Decrease) in Cash and Cash Equivalents	- 0 -	26,628	- 0 -	437,257	437,257	26,628
Cash and Cash Equivalents, July 1	- 0 -	658,528	34,777	284,239	319,016	693,305
Cash and Cash Equivalents, June 30	\$ - 0 -	\$ 685,156	\$ 34,777	\$ 721,496	\$ 756,273	\$ 1,441,429

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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)	\$ 54,997	\$ 146,226	\$ - 0 -	\$ (304,986)	\$ (304,986)	\$ (103,763)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation				11,860	11,860	11,860
Federal Food Distribution Program				58,820	58,820	58,820
Changes in Assets and Liabilities:						
(Increase)/Decrease in:						
Deferred Inflows and Outflows Related to Pensions		(195,576)				(195,576)
Interfund Receivable				171,688	171,688	171,688
Receivable from Other Governmental Units	(124,414)	(3,936)				(128,350)
Inventory				(7,628)	(7,628)	(7,628)
Increase/(Decrease) in:						
Net Pension Liability		82,348				82,348
Accounts Payable	(3,570)	(2,434)		(30,098)	(30,098)	(36,102)
Interfund Payable				54,313	54,313	54,313
Unearned Revenue - Donated Commodities				1,229	1,229	1,229
Unearned Revenue - Prepaid Student Balances				2,404	2,404	2,404
Net Cash Provided by/(Used for) Operating Activities	\$ (72,987)	\$ 26,628	\$ - 0 -	\$ (42,398)	\$ (42,398)	\$ (88,757)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received commodities from the Federal Food Distribution Program valued at \$60,049 and utilized commodities from the Federal Food Distribution Program valued at \$58,820 for the fiscal year ended June 30, 2023.

**FIDUCIARY ACTIVITIES
(NOT APPLICABLE)**

LONG-TERM LIABILITIES

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Retired/ Matured	Balance June 30, 2023
			Date	Amount	Interest Rate		
School Refunding Bonds	10/05/11	\$ 5,550,000	08/15/23	\$ 545,000	5.00%	\$ 605,000	\$ 545,000
School Refunding Bonds	07/15/20	1,317,000		470,000		470,000	
						<u>\$ 1,075,000</u>	<u>\$ 545,000</u>

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

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2022</u>	<u>Issued</u>	<u>Retired/ Matured</u>	<u>Balance July 1, 2023</u>
Savin Copiers	3.40%	\$ 438,640	\$ 328,850		\$ 85,666	\$ 243,184
HP Computers	0.00%	1,950,945	<u>1,950,945</u>		<u>650,315</u>	<u>1,300,630</u>
			<u>\$ 2,279,795</u>	<u>\$ -0-</u>	<u>\$ 735,981</u>	<u>\$ 1,543,814</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,116,189		\$ 1,116,189	\$ 1,116,189	
Total Revenues	1,116,189		1,116,189	1,116,189	
EXPENDITURES:					
Regular Debt Service:					
Interest	44,883		44,883	44,883	
Redemption of Principal	1,075,000		1,075,000	1,075,000	
Total Regular Debt Service	1,119,883		1,119,883	1,119,883	
Total Expenditures	1,119,883		1,119,883	1,119,883	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(3,694)		(3,694)	(3,694)	
Fund Balance, July 1	3,695		3,695	3,695	
Fund Balance, June 30	<u>\$ 1</u>	<u>\$ -0-</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -0-</u>

Recapitulation of Fund Balance at June 30, 2023:
 Restricted - Subsequent Year's Budget

\$ 1

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
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	June 30,				
	2014	2015	2016	2017	2018
Governmental Activities:					
Net Investment in Capital Assets	\$ 20,438,707	\$ 22,990,660	\$ 1,279,666	\$ 3,293,074	\$ 7,263,645
Restricted	13,225,339	12,850,944	12,773,742	13,838,842	11,003,689
Unrestricted/(Deficit)	(1,994,401)	(1,968,585)	(12,928,272)	(14,812,906)	(10,849,819)
Total Governmental Activities Net Position	\$ 31,669,645	\$ 33,873,019	\$ 1,125,136	\$ 2,319,010	\$ 7,417,515
Business-Type Activities:					
Investment in Capital Assets	\$ 25,579	\$ 23,417	\$ 181,819	\$ 207,607	\$ 193,187
Unrestricted	196,979	192,996	247,329	176,925	302,200
Total Business-Type Activities Net Position	\$ 222,558	\$ 216,413	\$ 429,148	\$ 384,532	\$ 495,387
District-wide:					
Net Investment in Capital Assets	\$ 20,464,286	\$ 23,014,077	\$ 1,461,485	\$ 3,500,681	\$ 7,456,832
Restricted	13,225,339	12,850,944	12,773,742	13,838,842	11,003,689
Unrestricted/(Deficit)	(1,797,422)	(1,775,589)	(12,680,943)	(14,635,981)	(10,547,619)
Total District Net Position	\$ 31,892,203	\$ 34,089,432	\$ 1,554,284	\$ 2,703,542	\$ 7,912,902
	June 30,				
	2019	2020	2021	2022	2023
Governmental Activities:					
Net Investment in Capital Assets	\$ 12,820,744	\$ 15,928,622	\$ 18,036,062	\$ 19,371,869	\$ 24,449,502
Restricted	11,296,479	14,655,201	18,138,303	16,608,007	13,966,631
Unrestricted/(Deficit)	(13,219,328)	(13,494,767)	(11,713,766)	(6,756,849)	(4,401,749)
Total Governmental Activities Net Position	\$ 10,897,895	\$ 17,089,056	\$ 24,460,599	\$ 29,223,027	\$ 34,014,384
Business-Type Activities:					
Investment in Capital Assets	\$ 156,118	\$ 151,034	\$ 130,274	\$ 117,418	\$ 186,702
Unrestricted	280,960	173,155	261,944	605,967	938,074
Total Business-Type Activities Net Position	\$ 437,078	\$ 324,189	\$ 392,218	\$ 723,385	\$ 1,124,776
District-wide:					
Net Investment in Capital Assets	\$ 12,976,862	\$ 16,079,656	\$ 18,166,336	\$ 19,489,287	\$ 24,636,204
Restricted	11,296,479	14,655,201	18,138,303	16,608,007	13,966,631
Unrestricted/(Deficit)	(12,938,368)	(13,321,612)	(11,451,822)	(6,150,882)	(3,463,675)
Total District Net Position	\$ 11,334,973	\$ 17,413,245	\$ 24,852,817	\$ 29,946,412	\$ 35,139,160

Source: Township of Mahwah School District Financial Reports.

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 26,101,095
Special Education	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	8,908,848
Other Special Instruction	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	1,590,014
Other Instruction	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	2,046,247
Support Services:										
Tuition	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	6,328,607
Student & Instruction Related Services	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	17,211,794
General Administrative Services	1,439,456	1,720,600	1,927,941	1,009,474	953,025	915,175	827,184	1,173,288	1,017,683	710,434
School Administrative Services	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	3,503,467
Central Services	967,967	799,771	764,078	1,230,828	1,318,961	1,300,621	1,339,881	1,470,159	1,322,551	1,353,935
Administrative Information Technology	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	1,416,785
Plant Operations and Maintenance	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	7,372,716
Pupil Transportation	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	6,339,150
Charter Schools										
Interest on Long-term Debt	658,940	583,489	506,456	413,289	314,064	257,711	200,323	96,850	56,480	24,275
Unallocated Depreciation				357,063	371,141	523,495	536,195	581,268	626,875	771,548
Total Governmental Activities Expenses	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	83,678,915
Business-Type Activities:										
Food Service	992,627	1,014,778	983,105	998,918	1,041,801	1,110,326	862,192	628,947	1,264,780	1,366,566
Region I Transportation				10,904,780	11,485,575	12,200,760	12,020,071	10,249,134	14,146,214	18,273,424
Region I Administration				391,031	360,853	462,092	434,044	368,878	261,657	299,264
Region I Summer School				145,766	126,473	130,962	100,741	375		
Total Business-Type Activities Expenses	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	19,939,254
Total District-Wide Expenses	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	103,618,169
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Student & Instruction Related Services				22,362,904	23,796,580	19,258,386	17,020,657	20,964,399	18,496,346	16,027,832
Operating Grants and Contributions	7,911,541	7,529,294	7,817,464	(400,795)	(30)			379,342	877,337	1,002,925
Capital Grants and Contributions										1,119,577
Total Governmental Activities Program Revenues	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	18,150,334

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 822,951	\$ 818,289	\$ 803,214	\$ 816,221	\$ 847,654	\$ 930,170	\$ 636,214	\$ 5,547	\$ 179,641	\$ 1,061,580
Region I Transportation				10,783,657	11,556,620	12,193,458	12,012,030	10,242,343	14,147,656	18,328,421
Region I Administration				398,961	410,630	412,399	388,442	403,590	406,850	445,490
Region I Summer School				145,837	126,474	120,697	117,332			
Operating Grants and Contributions	195,209	190,304	207,713	208,802	193,615	203,054	148,136	663,415	1,279,110	492,846
Total Business-Type Activities Revenues	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	20,328,337
Total District-Wide Program Revenues	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	38,478,671
Net (Expense)/Revenue:										
Governmental Activities	(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)	(65,528,581)
Business-type Activities	25,533	(6,185)	27,822	(87,017)	120,291	(44,362)	(114,894)	67,561	340,606	389,083
Total District-Wide Net (Expense)/Revenue	(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)	(65,139,498)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	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	67,621,781
Taxes Levied for Debt Service	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	1,116,189
Unrestricted Grants and Contributions	1,214,071	171,132	153,130	198,014	187,178	102,848	90,561	105,075	85,477	318,815
Investment Earnings	24,501	27,025	33,006	60,580	133,980	222,516	184,093	51,031	26,279	616,898
Miscellaneous Income	300,331	323,407	312,600	282,719	656,671	200,352	287,880	567,669	615,858	646,255
Adjustment to Capital Assets	(905,334)	157,512	(77,364)							
Transfers			(2,600)	(42,332)						
Total Governmental Activities General Revenues and Other Changes in Net Position	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	70,319,938
Business-type Activities:										
Miscellaneous	5	40	41	69	188	482	2,005	468	64	12,308
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	5	40	2,641	42,401	(9,436)	(13,947)	2,005	468	(9,439)	12,308
Total District-Wide General Revenues and Other Changes in Net Position	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	70,332,246

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Change in Net Position:										
Governmental Activities	\$ 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	\$ 4,791,357
Business-Type Activities	25,538	(6,145)	30,463	(44,616)	110,855	(58,309)	(112,889)	68,029	331,167	401,391
Total District-Wide Change in Net Position	\$ 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	\$ 5,192,748

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,				
	2014	2015	2016	2017	2018
General Fund:					
Restricted	\$ 10,729,477	\$ 10,030,982	\$ 11,758,284	\$ 13,838,079	\$ 11,001,536
Assigned	1,693,206	1,739,430	3,303,770	2,112,932	5,972,900
Unassigned	1,409,922	1,399,188	1,295,670	1,408,419	1,508,249
Total General Fund	<u>\$ 13,832,605</u>	<u>\$ 13,169,600</u>	<u>\$ 16,357,724</u>	<u>\$ 17,359,430</u>	<u>\$ 18,482,685</u>
All Other Governmental Funds:					
Restricted	\$ 1,037,328	\$ 1,030,795	\$ 1,015,458	\$ 763	\$ 2,153
Assigned		254,543		613,102	
Total All Other Governmental Funds	<u>\$ 1,037,328</u>	<u>\$ 1,285,338</u>	<u>\$ 1,015,458</u>	<u>\$ 613,865</u>	<u>\$ 2,153</u>
Total Governmental Funds	<u>\$ 14,869,933</u>	<u>\$ 14,454,938</u>	<u>\$ 17,373,182</u>	<u>\$ 17,973,295</u>	<u>\$ 18,484,838</u>
	June 30,				
	2019	2020	2021	2022	2023
General Fund:					
Restricted	\$ 11,294,771	\$ 13,303,620	\$ 15,077,176	\$ 13,488,664	\$ 10,594,982
Assigned	2,770,401	2,602,245	2,367,768	4,845,210	4,751,941
Unassigned	1,903,627	1,707,065	3,273,949	3,762,073	2,412,272
Total General Fund	<u>\$ 15,968,799</u>	<u>\$ 17,612,930</u>	<u>\$ 20,718,893</u>	<u>\$ 22,095,947</u>	<u>\$ 17,759,195</u>
All Other Governmental Funds:					
Restricted	\$ 1,708	\$ 1,351,581	\$ 3,061,127	\$ 3,119,343	\$ 3,371,649
Committed				195,620	2,304,328
Total All Other Governmental Funds	<u>\$ 1,708</u>	<u>\$ 1,351,581</u>	<u>\$ 3,061,127</u>	<u>\$ 3,314,963</u>	<u>\$ 5,675,977</u>
Total Governmental Funds	<u>\$ 15,970,507</u>	<u>\$ 18,964,511</u>	<u>\$ 23,780,020</u>	<u>\$ 25,410,910</u>	<u>\$ 23,435,172</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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Tax Levy	\$ 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	\$ 68,737,970
Interest Earnings	24,501	27,025	33,006	60,135	133,980	222,516	184,093	51,031	26,279	616,898
Miscellaneous	300,332	323,407	312,600	283,164	656,671	200,352	287,880	565,884	615,858	646,255
Local Sources	77,578	68,525	72,598	59,606	162,473	82,566	89,230	2,052,720	996,683	1,121,943
State Sources	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	20,140,316
Federal Sources	897,500	1,043,940	1,041,441	1,005,075	910,519	981,616	959,886	1,369,664	1,731,675	2,883,764
Total Revenues	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	94,147,146
Expenditures:										
Instruction:										
Regular Instruction	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	18,687,394
Special Education Instruction	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	6,281,712
Other Special Instruction	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	1,112,990
Other Instruction	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	1,504,492
Support Services:										
Tuition	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	6,328,607
Student & Instruction Related Services	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	13,262,824
General Administrative Services	749,061	823,890	639,864	656,200	672,130	644,677	608,106	913,127	752,045	726,559
School Administrative Services	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	2,478,012
Central Services	967,967	799,771	764,078	823,658	817,389	810,585	888,311	965,324	944,095	1,002,539
Administrative Information Technology	1,014,923	874,769	836,111	1,085,866	744,964	852,662	972,184	926,001	1,147,340	1,150,976
Plant Operations and Maintenance	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	7,293,053
Pupil Transportation	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	6,106,635
Unallocated Benefits	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	24,460,073
Charter Schools										
Capital Outlay	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	4,607,135
Debt Service:										
Principal	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	1,075,000
Interest and Other Charges	690,060	613,355	537,137	455,387	366,775	293,469	236,650	122,091	78,756	44,883
Total Expenditures	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	96,122,884

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 472,289	\$ (414,995)	\$ 2,920,844	\$ 642,445	\$ 511,543	\$ (2,514,331)	\$ 959,034	\$ 4,813,724	\$ (320,055)	\$ (1,975,738)
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	375,144	1,556,028	317	445	614,779				1,950,945	2,304,328
Transfers Out	(375,144)	(1,556,028)	(2,917)	(42,777)	(614,779)				(200,430)	(2,304,328)
Total Other Financing Sources (Uses)			(2,600)	(42,332)				1,785	1,950,945	
Net Change in Fund Balances	\$ 472,289	\$ (414,995)	\$ 2,918,244	\$ 600,113	\$ 511,543	\$ (2,514,331)	\$ 959,034	\$ 4,815,509	\$ 1,630,890	\$ (1,975,738)

Debt Service as a Percentage of Noncapital Expenditures

	4.08%	4.01%	3.98%	3.58%	3.32%	2.18%	2.10%	1.96%	1.64%	1.23%
--	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

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

Fiscal Year Ending June 30,	Interest on Investments	Prior Year Refunds	Rentals	Other	Total
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
2023	616,898	197,891	45,394	402,970	1,263,153

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)
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
2022	70,578,400	4,474,797,200	16,558,040	801,881,300	372,657,700	49,592,700	5,786,065,340	- 0 -	5,786,065,340	1.1800	6,533,412,478

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	
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
2022	1.1607	0.0193	1.180	0.520	0.272	1.972

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>	2022		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
1700 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%
Volvo Car USA LLC	28,500,000	6	0.49%
Sharp Office Holdings	27,397,000	7	0.47%
Mahwah Property Owner (c/o Camber Realty)	26,294,100	8	0.45%
Inwood Realty Group	24,555,400	9	0.42%
Garden Crossroads, LLC	20,100,000	10	0.35%
Total	<u>\$ 458,196,700</u>		<u>7.92%</u>

<u>Taxpayer</u>	2013		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Not Available			

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	
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-
2023	68,737,970	68,737,970	100.00%	-0-

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

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

Fiscal Year Ended June 30,	Governmental Activities				Bond			Business-Type Activities		Percentage of Personal Income ^a	Total District	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Leases	Anticipation Notes (BANs)	School Facilities Loans	Leases		Income ^a				
2014	\$ 15,197,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 15,197,000	0.81%	\$ 580		
2015	13,202,000	-0-	-0-	-0-	-0-	-0-	-0-	13,202,000	0.68%	503		
2016	11,177,000	-0-	-0-	-0-	-0-	-0-	-0-	11,177,000	0.55%	425		
2017	9,117,000	-0-	-0-	-0-	-0-	-0-	-0-	9,117,000	0.44%	347		
2018	7,085,000	-0-	-0-	-0-	-0-	-0-	-0-	7,085,000	0.33%	269		
2019	5,750,000	-0-	-0-	-0-	-0-	-0-	-0-	5,750,000	0.26%	219		
2020	4,390,000	-0-	-0-	-0-	-0-	-0-	-0-	4,390,000	0.19%	168		
2021	3,015,000	-0-	1,054,069	-0-	-0-	-0-	-0-	4,069,069	0.17%	156		
2022	1,620,000	-0-	2,279,795	-0-	-0-	-0-	-0-	3,899,795	0.16%	154		
2023	545,000	-0-	1,543,814	-0-	-0-	-0-	-0-	2,088,814	0.08%	83		

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

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

Source: Mahwah Township School District Financial Reports.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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
2023	545,000	-0-	545,000	0.009%	64

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, 2022
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Mahwah Township	\$ 39,628,240	100.00%	\$ 39,628,240
Bergen County General Obligation Debt	977,925,631	3.35%	<u>32,773,613</u>
Subtotal, Overlapping Debt			72,401,853
Mahwah Township School District Direct Debt			<u>545,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 72,946,853</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 2023

Year Ended December 31,	Equalized Valuation Basis
2020	\$ 6,431,157,664
2021	6,507,166,637
2022	7,392,443,261
	\$ 20,330,767,562
Average Equalized Valuation of Taxable Property	\$ 6,776,922,521
Debt Limit (4% of Average Equalization Value) ^a	\$ 271,076,901
Net Bonded School Debt	545,000
Legal Debt Margin	\$ 270,531,901

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 247,028,578	\$ 240,588,360	\$ 236,223,123	\$ 237,872,690	\$ 239,477,464
Total Net Debt Applicable to Limit	15,197,000	13,202,000	11,177,000	9,117,000	7,085,000
Legal Debt Margin	\$ 231,831,578	\$ 227,386,360	\$ 225,046,123	\$ 228,755,690	\$ 232,392,464
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.15%	5.49%	4.73%	3.83%	2.96%

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt Limit	\$ 241,588,749	\$ 246,088,778	\$ 250,947,213	\$ 257,110,516	\$ 271,076,901
Total Net Debt Applicable to Limit	5,750,000	4,390,000	3,015,000	1,620,000	545,000
Legal Debt Margin	\$ 235,838,749	\$ 241,698,778	\$ 247,932,213	\$ 255,490,516	\$ 270,531,901
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.38%	1.78%	1.20%	0.63%	0.20%

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

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

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

<u>Year</u>	<u>Population ^a</u>	<u>Bergen County Per Capita Personal Income ^b</u>	<u>Personal Income ^c</u>	<u>Township Unemployment Rate ^d</u>
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	97,343	2,458,494,808	5.1%
2022	25,291	97,343 *	2,461,901,813 *	3.2%
2023	25,291 *	97,343 *	2,461,901,813 *	N/A

* - Latest Bergen County per capita personal income (2021) and population data (2022) 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 - BERGEN COUNTY
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

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

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Instruction:					
Regular	216	222	216	216	218
Special Education/Other Special Instruction	81	78	84	84	86
Other Instruction	15	17	10	8	5
Support Services:					
Student & Instruction Related Services	101	93	98	102	115
School Administrative Services	29	26	26	25	26
General Administrative Services	2	2	3	3	3
Central Services	8	8	8	9	9
Administration Information Technology	4	4	4	5	5
Plant Operations and Maintenance	9	9	9	8	9
Pupil Transportation	4	8	8	6	5
Total	<u>469</u>	<u>467</u>	<u>466</u>	<u>466</u>	<u>481</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Function/Program</u>					
Instruction:					
Regular	214	217	214	205	213
Special Education/Other Special Instruction	91	91	88	86	89
Other Instruction	2	1	1	1	1
Support Services:					
Student & Instruction Related Services	126	132	125	132	140
School Administrative Services	23	23	24	25	25
General Administrative Services	3	3	2	3	3
Central Services	9	9	9	9	8
Administration Information Technology	5	5	5	5	5
Plant Operations and Maintenance	9	9	9	9	10
Pupil Transportation	5	5	5	5	5
Total	<u>487</u>	<u>495</u>	<u>482</u>	<u>480</u>	<u>499</u>

Source: Mahwah Township School District Personnel Records.

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

Pupil/Teacher Ratio

Fiscal Year	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%
2023	2,698	90,395,866	33,505	7.01%	311	15.9:1	14.1:1	10.8:1	2,686	2,532	-1.10%	94.27%

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
<u>Elementary Schools:</u>										
Betsy Ross School										
Square Feet	33,526	33,526	33,526	27,096	27,096	27,096	27,096	27,096	27,096	27,096
Capacity (students)	275	275	275	216	216	216	216	216	216	216
Enrollment	237	234	222	217	199	230	244	247	286	279
George Washington School										
Square Feet	34,365	34,365	34,365	30,867	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	193	193	201	202	193	189	203	192	209	201
Lenape Meadows School										
Square Feet	82,000	82,000	82,000	76,597	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	473	486	461	425	431	384	384	305	327	342
Joyce Kilmer School										
Square Feet	82,220	82,220	82,220	71,555	71,555	71,555	71,555	71,555	71,555	71,555
Capacity (students)	558	558	558	564	564	564	564	564	564	564
Enrollment	473	444	438	447	452	435	399	409	395	375
<u>Middle School:</u>										
Ramapo Ridge Middle School										
Square Feet	100,037	100,037	100,037	112,040	112,040	112,040	112,040	112,040	112,040	112,040
Capacity (students)	826	826	826	820	820	820	820	820	820	820
Enrollment	773	752	753	702	696	678	714	679	646	641
<u>High School:</u>										
Mahwah High School										
Square Feet	187,844	187,844	187,844	164,791	173,763	173,763	181,065	181,065	181,065	181,065
Capacity (students)	1,093	1,093	1,093	1,143	1,143	1,143	1,192	1,192	1,192	1,192
Enrollment	1,028	970	911	929	901	916	914	902	870	860

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
Athletic Building	13,000	13,000	13,000	9,660	9,660	9,660	9,660	9,660	9,660	9,660
Square Feet										
Central Administration	9,000	9,000	9,000	7,181	7,181	7,181	7,181	7,181	7,181	7,181
Square Feet										
Maintenance Garage	4,200	4,200	4,200	4,584	4,584	4,584	4,584	4,584	4,584	4,584
Square Feet										

Number of Schools at June 30, 2023
 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				
		2,014	2,015	2,016	2,017	2018
Mahwah High School	N/A	\$ 862,880	\$ 618,465	\$ 339,673	\$ 603,471	\$ 609,911
Betsy Ross	N/A	142,309	65,139	81,194	67,674	117,396
Joyce Kilmer	N/A	285,589	396,551	130,277	149,747	216,746
Ramapo Ridge	N/A	701,730	441,479	217,011	215,894	396,647
George Washington	N/A	108,521	97,937	68,091	123,793	80,470
Lenape Meadows	N/A	210,679	157,998	227,614	177,241	164,613
Total School Facilities		<u>2,311,708</u>	<u>1,777,569</u>	<u>1,063,860</u>	<u>1,337,820</u>	<u>1,585,783</u>
Grand Total		<u>\$ 2,311,708</u>	<u>\$ 1,777,569</u>	<u>\$ 1,063,860</u>	<u>\$ 1,337,820</u>	<u>\$ 1,585,783</u>

<u>School Facilities*</u>	Project # (s)	Project				
		2019	2020	2021	2022	2023
Mahwah High School	N/A	\$ 666,297	\$ 727,060	\$ 962,992	\$ 1,113,932	\$ 1,493,625
Betsy Ross	N/A	116,996	89,587	227,041	249,617	157,684
Joyce Kilmer	N/A	133,752	198,339	173,470	369,663	187,898
Ramapo Ridge	N/A	269,018	332,911	415,573	406,487	313,736
George Washington	N/A	98,500	90,746	84,339	185,727	246,510
Lenape Meadows	N/A	263,398	221,800	158,404	192,086	246,153
Total School Facilities		<u>1,547,961</u>	<u>1,660,443</u>	<u>2,021,819</u>	<u>2,517,512</u>	<u>2,645,606</u>
Grand Total		<u>\$ 1,547,961</u>	<u>\$ 1,660,443</u>	<u>\$ 2,021,819</u>	<u>\$ 2,517,512</u>	<u>\$ 2,645,606</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, 2023
UNAUDITED

	Coverage	Deductible
Northeast Bergen County School		
Board Insurance Group:		
Property - Blanket Building & Contents	\$ 227,895,968	\$ 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	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 - Philadelphia Ins. Co.		
Student & Athletic Insurance through QBE Ins. Co.		
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, 2023, 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 5, 2023.

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 5, 2023
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

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



Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ
973.298.8500
nisivoccia.com
Independent Member
BKR International

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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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
Page 2

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 5, 2023

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, 2023

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, 2022		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Cancellation of Prior Year Receivable	Balance at June 30, 2023		Amount Provided to Subrecipients
					Unearned/ Revenue/ (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Due to Grantor	
U.S. Department of Education:													
Passed-through State Department of Education:													
Special Revenue Fund:													
Special Education Cluster:													
LD.E.A. - Part B, Basic Regular	84-027	IDEA-2900-23	7/1/22 9/30/23	\$ 621,863			\$ 373,933	\$ (620,635)			\$ (246,702)		
LD.E.A. - Part B, Basic Regular	84-027	IDEA-2900-22	7/1/21 9/30/22	617,592	\$ (285,313)		285,313						
COVID 19 - LD.E.A. - Part B, Basic Regular - ARP	84-027X	IDEA-2900-22	7/1/21 9/30/22	123,607	(123,362)		123,362						
LD.E.A. - Part B, Preschool	84-173	IDEA-2900-23	7/1/22 9/30/23	35,130				(35,130)					
COVID 19 - LD.E.A. - Part B, Preschool - ARP	84-173X	IDEA-2900-22	7/1/21 9/30/22	10,545	(10,545)		10,545						
Subtotal Special Education Cluster					(419,220)		828,283	(655,765)			(246,702)		
Elementary and Secondary Education Act:													
Title I													
Title I	84-010	ESEA-2900-23	7/1/22 9/30/23	145,152			124,752	(145,152)	\$ (21,589)		(20,400)		
Subtotal Title I	84-010	ESEA-2900-21	7/1/20 9/30/21	232,131			21,589	(145,152)	(21,589)		(20,400)		
Title II A	84-367A	ESEA-2900-23	7/1/22 9/30/23	92,693			74,493	(75,767)			(1,274)		
Title II A	84-367A	ESEA-2900-22	7/1/21 9/30/22	35,000	(17,000)		18,500	(75,767)			\$ 1,500		
Subtotal Title II A					(17,000)		92,993	(1,274)			1,500		
Title III	84-365A	ESEA-2900-23	7/1/22 9/30/23	22,966			18,966	(19,766)			(800)		
Title III	84-365A	ESEA-2900-22	7/1/21 9/30/22	18,576	(2,400)		1		\$ 2,399		(800)		
Subtotal Title III					(2,400)		18,967	(19,766)		2,399	(800)		
Education Stabilization Fund:													
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)		30,099	(35,394)			(12,293)		
Mental Health	84-425D	S425D210027	3/13/20 9/30/23	45,000			22,040	(45,000)			(22,960)		
COVID-19 ARP:													
ESSER III	84-425U	S425U210027	3/13/20 9/30/24	1,484,589			98,565	(1,343,869)			(1,245,304)		
Accelerated Learning Coaching and Educator Support	84-425U	S425U210027	3/13/20 9/30/24	232,736			163,545	(198,444)			(34,899)		
Evidence-Based Summer Learning and Enrichment Activities	84-425U	S425U210027	3/13/20 9/30/24	40,000	(19,712)		40,000	(20,288)					
Evidence-Based Comprehensive Beyond the School Day Activities	84-425U	S425U210027	3/13/20 9/30/24	40,000			40,000						
Subtotal Education Stabilization Fund				40,000	(687,280)		1,054,819	(1,682,995)			(1,315,456)		
Total U.S. Department of Education					(1,123,900)		2,119,814	(2,579,445)	(21,589)	2,399	(1,584,632)	1,500	
U.S. Department of Treasury:													
Passed-through State Department of Education:													
Special Revenue Fund:													
COVID 19 - American Rescue Plan - Coronavirus State and Local Fiscal Recovery Funds:	21-027	N/A	7/1/22 6/30/23	469,047			234,840	(469,047)			(234,207)		
ACSERS							234,840	(469,047)			(234,207)		
Total U.S. Department of Treasury													
N/A - Not Available/Applicable													

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2022		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Cancellation of Prior Year Receivable	Balance at June 30, 2023		Amount Provided to Subrecipients
					Unearned/ Revenue/ (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Due to Grantor	
U.S. Department of Homeland Security: Passed-through Federal Emergency Management Agency: Special Revenue Fund: Disaster Grants - Public Assistance - FEMA Hurricane Ida	97.036	100-066-1200- C84-069910	9/1/21 6/30/22	\$ 9,835	\$ 9,835	\$ 9,835	(9,835)						
Total U.S. Department of Homeland Security					\$ 9,835	\$ 9,835							
Total Special Revenue Fund					\$ (1,125,900)	\$ 21,589	2,364,489	(3,058,327)	\$ (21,589)	\$ 2,399	\$ (1,818,839)	\$ 1,500	
U.S. Department of Health and Human Services - Medicaid Cluster: Medical Assistance Program (SEMI)	93.778	N/A	7/1/22 6/30/23	60,403		60,403	(60,403)						
Total General Fund/Medicaid Cluster						60,403	(60,403)						
Total U.S. Department of Health and Human Services						60,403	(60,403)						
U.S. Department of Agriculture - Passed-through State Department of Agriculture: Child Nutrition Cluster: National School Lunch Program National School Lunch Program: COVID 19 - Seamless Summer Option Subtotal National School Lunch Program Federal Food Distribution Program Federal Food Distribution Program Subtotal Federal Food Distribution Program COVID-19 - Supply Chain Assistance Award Subtotal Child Nutrition Cluster Local Food for Schools (LFS) Cooperative	10.555 10.555 10.555 10.555 10.555 10.185	N/A N/A N/A N/A N/A N/A	7/1/22 6/30/23 7/1/21 6/30/22 7/1/22 6/30/23 7/1/21 6/30/22 7/1/22 6/30/23 7/1/22 6/30/23	257,312 1,000,703 60,049 40,498 134,622 7,870		235,641 102,643 60,049 60,049 134,622 532,955	(257,312) (257,312) (47,557) (11,263) (68,820) (101,870) (540)				(21,671) (21,671) \$ 12,492 \$ 12,492 32,752 45,244 (540)		
Total U.S. Department of Agriculture					(91,380)	\$ 2,957,847	(3,537,272)	\$ (21,589)	\$ 2,399	\$ (1,841,050)	\$ 45,244	\$ 1,500	\$ -0-
TOTAL FEDERAL AWARDS					\$ (1,217,280)	\$ 21,589	\$ 2,957,847	(3,537,272)	\$ (21,589)	\$ 2,399	\$ (1,841,050)	\$ 45,244	\$ -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, 2023

State Grantor/Program Title	Project Number	Grant or State	Grant Period		Program or Award Amount	Balance at June 30, 2022		Due to Grantor	Cash Received	Budgetary Expenditures	Prior Year Accounts Payable/Encumbrances Canceled	Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO		
			From	To		Budgetary Unearned Revenue (Accounts Receivable)	Unearned Revenue						GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:																	
General Fund:																	
Special Education Categorical Aid	23-495-034-5120-089	7/1/22	6/30/23	\$ 2,819,253	\$ 2,605,308	\$ (2,819,253)		\$ 198,962						\$ 213,945	\$ 2,819,253		
Special Education Categorical Aid	22-495-034-5120-089	7/1/21	6/30/22	2,675,497	\$ (198,962)			198,962									
Categorical Security Aid	23-495-034-5120-084	7/1/22	6/30/23	268,685		(268,685)		248,295						20,390	268,685		
Categorical Security Aid	22-495-034-5120-084	7/1/21	6/30/22	59,339	(4,413)			4,413									
Transportation Aid	23-495-034-5120-014	7/1/22	6/30/23	754,059		(754,059)		696,836						57,223	754,059		
Transportation Aid	22-495-034-5120-014	7/1/21	6/30/22	636,428	(47,328)			47,328									
Extraordinary Special Education Costs Aid	23-495-034-5120-044	7/1/22	6/30/23	1,320,839		(1,320,839)		1,374,935						1,320,839	1,320,839		
Extraordinary Special Education Costs Aid	22-495-034-5120-044	7/1/21	6/30/22	1,374,935	(1,374,935)												
Nonpublic School Transportation Costs	23-495-034-5120-014	7/1/22	6/30/23	60,375		(60,375)		48,186						60,375	60,375		
Nonpublic School Transportation Costs	22-495-034-5120-014	7/1/21	6/30/22	48,186	(48,186)												
State Reimbursement for Lead Testing of Drinking Water	22-495-034-5120-104	7/1/21	6/30/22	5,704		(5,704)		5,704							5,704		
On-Behalf TPAF Contributions:																	
Post-Retirement Medical	23-495-034-5094-001	7/1/22	6/30/23	2,641,324		(2,641,324)		2,641,324							2,641,324		
Pension	23-495-034-5094-002	7/1/22	6/30/23	9,917,032		(9,917,032)		9,917,032							9,917,032		
Non-Contributory Insurance	23-495-034-5094-004	7/1/22	6/30/23	137,588		(137,588)		3,643							137,588		
Long-Term Disability Insurance	23-495-034-5094-004	7/1/22	6/30/23	3,643		(3,643)									3,643		
Reimbursed TPAF Contributions:																	
Social Security Aid	23-495-034-5094-003	7/1/22	6/30/23	2,086,949		(2,086,949)		1,982,852						104,097	2,086,949		
Social Security Aid	22-495-034-5094-003	7/1/21	6/30/22	2,071,519	(101,477)			101,477									
Schools Development Authority:																	
Securing Our Children's Future																	
Bond Act																	
Total General Fund State Aid				160,647	(1,775,301)	(20,176,098)		20,013,883		(160,647)			(160,647)	193,716	160,647		20,176,098
Special Revenue Fund:																	
NI Nonpublic Aid:																	
Textbook Aid (Chapter 194)	23-100-034-5120-064	7/1/22	6/30/23	2,178		(788)		2,178						\$ 1,390	788		
Textbook Aid (Chapter 194)	22-100-034-5120-064	7/1/21	6/30/22	1,740													
Nursing Services (Chapter 226)	23-100-034-5120-070	7/1/22	6/30/23	3,696		(1,344)		3,696						2,352	1,344		
Nursing Services (Chapter 226)	22-100-034-5120-070	7/1/21	6/30/22	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	23-100-034-5120-066	7/1/22	6/30/23	826				826							826		
Supplementary Instruction	22-100-034-5120-066	7/1/21	6/30/22	1,652													
Examination and Classification	23-100-034-5120-066	7/1/22	6/30/23	380				380							380		
Examination and Classification	22-100-034-5120-066	7/1/21	6/30/22	2,086													
Corrective Speech	23-100-034-5120-066	7/1/22	6/30/23	1,860				1,860							1,860		
Corrective Speech	22-100-034-5120-066	7/1/21	6/30/22	6,510													
Security Aid	23-100-034-5120-509	7/1/22	6/30/23	6,765		(2,459)		6,765						4,306	2,459		
Security Aid	22-100-034-5120-509	7/1/21	6/30/22	5,600													
Technology Initiative	23-100-034-5120-373	7/1/22	6/30/23	1,386		(482)		1,386						904	482		
Technology Initiative	22-100-034-5120-373	7/1/21	6/30/22	1,218													
Teacher's STEM Grant				4,407				2,790						\$ 616			
Total Special Revenue Fund				4,407	(3,176)	(5,073)		19,881		(160,647)		(10,917)	(160,647)	616	12,018		5,073
N/A - Not Available/Applicable					(3,176)	(5,073)		19,881		(160,647)		(10,917)	(160,647)	616	12,018		5,073

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Prior Year Accounts Payable/Encumbrances Canceled	Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO		
		From	To		Budgetary Unearned Revenue/(Accounts Receivable)	Due to Grantor					GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Enterprise Fund:															
State School Lunch Program	22-100-010-3350-023	7/1/22	6/30/23	\$ 12,774			\$ 11,693	\$ (12,774)			\$ (1,081)		\$ 1,081	\$ 12,774	
State School Lunch Program:															
COVID-19 Seamless Summer Option	22-100-010-3350-023	7/1/21	6/30/22	27,941			2,362	(12,774)			(1,081)		1,081	12,774	
Total Enterprise Fund															
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT DETERMINATION							\$ 502	\$ (20,193,945)	\$ 11,417	\$ (10,917)	\$ (1,647,039)	\$ 616	\$ 12,018	\$ 1,938,597	\$ 20,193,945

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

On-Behalf TPAF Pension System Contributions:		Post-Retirement Medical		Pension		Non-Contributory Insurance		Long-Term Disability Insurance		Subtotal On-Behalf TPAF Pension System Contributions	
Grant or State Project Number	Grant Period	Amount	Grant Period	Amount	Grant Period	Amount	Grant Period	Amount	Grant Period	Amount	Amount
23-495-034-5094-001	7/1/22	6/30/23	2,641,324								2,641,324
23-495-034-5094-002	7/1/22	6/30/23	9,917,032								9,917,032
23-495-034-5094-004	7/1/22	6/30/23	137,588								137,588
23-495-034-5094-004	7/1/22	6/30/23	3,643								3,643
Subtotal On-Behalf TPAF Pension System Contributions											12,699,587
											\$ (7,494,358)

TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION

\$ 10,268	Accounts Payable
1,149	Encumbrances
\$ 11,417	

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, 2023

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, 2023. 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, 2023
(Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(40,855) for the general fund and \$(238,258) 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	\$ 60,403	\$ 20,135,243	\$ 20,195,646
Special Revenue Fund	2,823,361	5,073	2,828,434
Food Service Enterprise Fund	418,542	12,774	431,316
Total Financial Assistance	\$ 3,302,306	\$ 20,153,090	\$ 23,455,396

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, 2023. 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, 2023

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance 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 not 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, 2023
(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>				
Education Stabilization Fund:				
COVID-19 CRRSA:				
Learning Acceleration	84.425D	3/13/20-9/30/23	42,392	35,394
Mental Health	84.425D	3/13/20-9/30/23	45,000	45,000
COVID-19 ARP:				
ESSER III	84.425U	3/13/20-9/30/24	1,484,589	1,343,869
Accelerated Learning Coaching and Educator Support	84.425U	3/13/20-9/30/24	232,736	198,444
Evidence-Based Summer Learning and Enrichment Activities	84.425U	3/13/20-9/30/24	40,000	20,288
Evidence-Based Comprehensive Beyond the School Day Activities	84.425U	3/13/20-9/30/24	40,000	40,000
<u>State:</u>				
Special Education				
Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	2,819,253	2,819,253
Categorical Security Aid	23-495-034-5120-084	7/1/22-6/30/23	268,685	268,685
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	754,059	754,059
Nonpublic School				
Transportation Costs	23-495-034-5120-014	7/1/22-6/30/23	60,375	60,375

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, 2023

Status of Prior Year Findings:

There were no prior year audit findings.