

MOUNTAINSIDE SCHOOL DISTRICT

**Mountainside Board of Education
Mountainside, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

**Annual Comprehensive
Financial Report**

of the

MOUNTAINSIDE SCHOOL DISTRICT

Mountainside, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

**Mountainside School District
Board Office**

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INTRODUCTORY SECTION
(UNAUDITED)

MOUNTAINSIDE BOARD OF EDUCATION

1497 WOODACRES DR., MOUNTAINSIDE, NJ 07092

908-232-3232

WWW.MOUNTAINSIDESCHOOLS.ORG

January 25, 2024

The Honorable President and
Members of the Board of Education
of the Mountainside School District
County of Union
Mountainside, New Jersey 07092

Dear Honorable President and Board Members:

The Annual Comprehensive Financial Report of the Mountainside School District (the "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 Mountainside School District (the "District"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of the operations of the district. 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 (which should be read in conjunction with the management's discussion and analysis), the district's organizational chart, and a list of principal officials. The financial section includes the basic financial statements, management's discussion and analysis, and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multiyear 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 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 and regulations, and findings and recommendations, is included in the single audit section of this report,

1. REPORTING ENTITY AND ITS SERVICES: The Mountainside Public School District is an independent reporting entity within the criteria adopted by GASB (Governmental Accounting Standards Board) in codification section 200. All funds and account groups of the district are included in this report. The Mountainside Board of Education and all its schools constitute the district's reporting entity.

The district provides a full range of educational services appropriate to grade levels Pre-K through 8.

These services include general as well as special education (grades Pre-K through 8) programs. The district completed the 2022-2023 fiscal year with an in district enrollment of 736 students, which is an increase of 7 student over the previous year's enrollment.

2. ECONOMIC CONDITONS AND OUTLOOK: The district's financial condition is sound, assessed property values are slightly ahead of where they were a year ago, and estimated true values also increased, The District anticipates steady enrollment.

3. MAJOR INITIATIVES: The District maintained an emphasis on student achievement, staff development, and safety during the 2022-2023 school year. Budget funds supported the purchase and implementation of a new phonics instructional program for Grades K-5. Additional funding was applied to an increase in class II officers, curricular programming, and embedded professional development to support instructional growth. During the 2022-2023 school year, the district maintained a commitment to increased staffing to maximize student growth. This allowed the district to maintain strict adherence to continued health and safety protocols and to address individual mental health and academic needs.

4. 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 (G.A.A.P.). An 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 is also 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 structure is also subject to periodic evaluation by the district management.

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the district maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by 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.

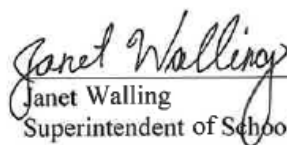
An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and/or assignments at June 30, 2023.

6. 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.
7. 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 Governmental Units from a 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.

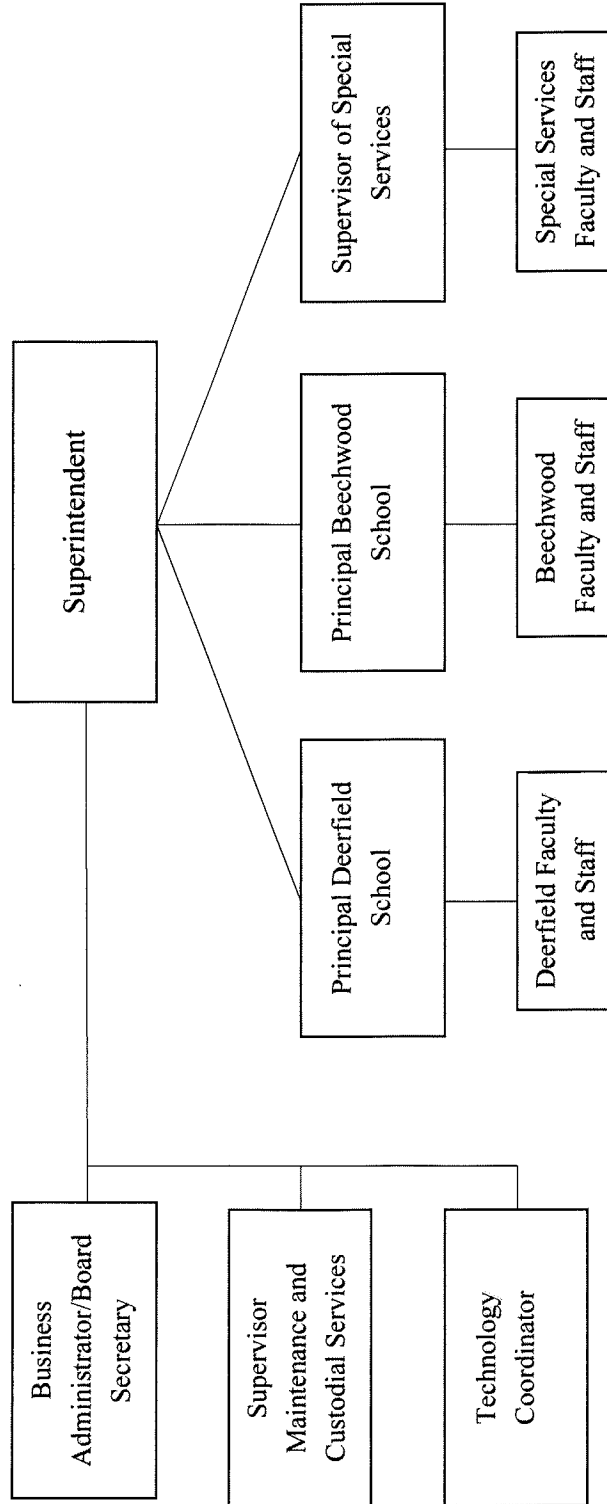
8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, auto liability and comprehensive/collision, hazard and theft insurance on property and contents, workers' compensation, and fidelity bonds. The district is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF is a risk-sharing public entity risk management pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to its members. A schedule of insurance coverage is found on Exhibit J-20.
9. 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 selected by the Board. 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.
10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Board for their concern in providing fiscal accountability to the citizens and taxpayers of the district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,


Janet Walling
Superintendent of Schools


Dana Sullivan
Interim Business Administrator/Board Secretary

**Mountainside School District
Organizational Chart**



MOUNTAINSIDE SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2023

Members of the Board of Education

Term Expires

Vivian Pupo, President	2026
Dana Guidici Pietro, Vice President	2026
Bill Dillion	2025
Jordan Hyman	2024
Michael Goodwin	2025
Candice Schiano	2024
Carmine Venes	2025

Other Officials

Janet Walling, Superintendent

Steven Robinson, Interim School Business Administrator/Board Secretary

Paula Hatch, Treasurer of School Monies

MOUNTAINSIDE SCHOOL DISTRICT
Consultants and Advisors
Fiscal Year Ended June 30, 2023

Audit Firm

Nisivoccia LLP
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, New Jersey 07856

Lawrence Business Park
11 Lawrence Road
Newton, New Jersey 07860

1140 Route 22 East, Suite 203
Bridgewater, New Jersey 08807

Attorney

Machado Law Group
1 Cleveland Place
Springfield, New Jersey 07081

Bond Counsel

Wilentz, Goldman & Spitzer, P.A.
Woodbridge, New Jersey

Financial Advisor

Acacia Financial Group, Inc.
Mount Laurel, New Jersey

Official Depository

Valley National Bank
882 Mountain Avenue
Mountainside, New Jersey 07092

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Mountainside School District
County of Union, 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 Mountainside School District (the "District"), in the County of Union, 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.

Other Matters

The financial statements of the District as of June 30, 2022 were audited by other auditors whose report dated May 2, 2023 expressed an unmodified opinion on those statements.

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.

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.

The Honorable President and Members
of the Board of Education
Mountainside School District
Page 4

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2024 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.

January 25, 2024
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**MOUNTAINSIDE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

The discussion and analysis of the Mountainside School District’s financial performance provides an overall review of the School District’s financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District’s financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District’s financial performance.

Overview of the Financial Statements

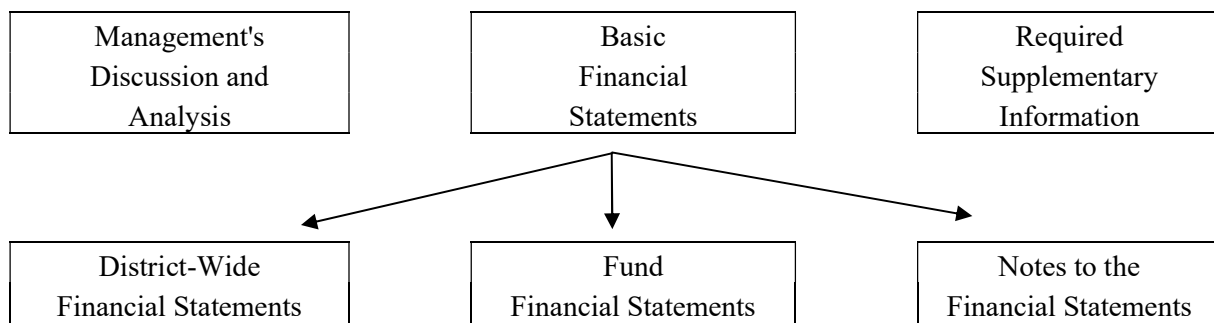
This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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.
- *Notes to Basic Financial Statements*: Provide additional information essential to a full understanding of the district-wide and fund financial statements.

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 year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of the School District’s Financial Report



**MOUNTAINSIDE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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.

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
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
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 year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities are 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 year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

**MOUNTAINSIDE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR 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 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 they have 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 operations 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 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. The District uses *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

**MOUNTAINSIDE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

Financial Analysis of the District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a District's financial position.

The District's financial position is the product of financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Net Position. The District's combined net position increased by \$284,414. Net position from governmental activities increased by \$212,253 and net position from business activities increased by \$72,161. Net investment in capital assets decreased by \$206,890, restricted net position decreased by \$84,919, and unrestricted net position increased by \$576,223.

The following tables present financial position and operating information for June 30, 2023 and the fiscal year then ended as compared with the prior fiscal year.

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

	Governmental Activities		Business-Type Activities		Total School District		Total
	Restated		Restated		Restated		Percentage
	2023	2022	2023	2022	2023	2022	Change 2022/2023
Current and Other Asset	\$ 4,610,214	\$ 3,498,310	\$ 275,627	\$ 167,007	\$ 4,885,841	\$ 3,665,317	
Capital Assets, Net	24,591,471	25,427,477	43,359	47,074	24,634,830	25,474,551	
Total Assets	29,201,685	28,925,787	318,986	214,081	29,520,671	29,139,868	1.31%
Deferred Outflows of Resources	1,098,235	1,148,437			1,098,235	1,148,437	-4.37%
Other Liabilities	2,521,664	2,195,857	55,591	22,847	2,577,255	2,218,704	
Long-term Liabilities	16,126,921	15,690,353			16,126,921	15,690,353	
Total Liabilities	18,648,585	17,886,210	55,591	22,847	18,704,176	17,909,057	4.44%
Deferred Inflows of Resources	321,476	1,070,408			321,476	1,070,408	-69.97%
Net Position:							
Net Investment in Capital Assets	10,814,998	11,018,173	43,359	47,074	10,858,357	11,065,247	
Restricted	2,051,830	2,136,749			2,051,830	2,136,749	
Unrestricted/(Deficit)	(1,536,969)	(2,037,316)	220,036	144,160	(1,316,933)	(1,893,156)	
Total Net Position	\$ 11,329,859	\$ 11,117,606	\$ 263,395	\$ 191,234	\$ 11,593,254	\$ 11,308,840	2.51%

Changes in Net Position. Net position in the Governmental Activities increased due primarily to the maturity of long-term liabilities, capital assets additions offset by depreciation expense as well as excess revenues and unexpended budget balances in the General Fund. An explanation for the change in Net Position for Business-Type Activities is included later in this section of the report.

**MOUNTAINSIDE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023	2022	2023	2022	2023	2022	2022/2023
Revenue:							
Program Revenue:							
Charges for Services	\$ 272,876	\$ 110,848	\$ 258,489	\$ 62,843	\$ 531,365	\$ 173,691	
Operating Grants and Contributions	4,325,363	526,701	75,710	306,061	4,401,073	832,762	
General Revenue:							
Property Taxes	18,783,013	18,454,577			18,783,013	18,454,577	
Unrestricted Federal and State Aid	506,063	4,628,524			506,063	4,628,524	
Other	450,081	207,618	7,489		457,570	207,618	
Total Revenue	24,337,396	23,928,268	341,688	368,904	24,679,084	24,297,172	1.57%
Expenses:							
Instruction	10,542,806	9,687,314			10,542,806	9,687,314	
Pupil and Instruction Services	9,368,021	8,435,427			9,368,021	8,435,427	
Administrative and Business	1,190,330	1,729,763			1,190,330	1,729,763	
Maintenance and Operations	1,294,856	1,864,803			1,294,856	1,864,803	
Transportation	1,335,205	945,809			1,335,205	945,809	
Capital Outlay	21,469				21,469		
Other	373,263	313,425	269,527	274,572	642,790	587,997	
Total Expenses	24,125,950	22,976,541	269,527	274,572	24,395,477	23,251,113	4.92%
Other Item	807				807		
Increase/(Decrease) in Net Position	\$ 212,253	\$ 951,727	\$ 72,161	\$ 94,332	\$ 284,414	\$ 1,046,059	-72.81%

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Figure A-5 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of those functions.

**MOUNTAINSIDE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

Governmental Activities (Cont’d)

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

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	2023	2022	2023	2022
Instruction	\$ 10,542,806	\$ 9,687,314	\$ 6,853,318	\$ 9,497,303
Pupil & Instruction Services	9,368,021	8,435,427	9,089,594	7,987,889
Administrative and Business	1,190,330	1,729,763	974,268	1,729,763
Maintenance & Operations	1,294,856	1,864,803	1,250,036	1,864,803
Transportation	1,335,205	945,809	965,763	945,809
Capital Outlay	21,469		21,469	
Other	373,263	313,425	373,263	313,425
Total	<u>\$ 24,125,950</u>	<u>\$ 22,976,541</u>	<u>\$ 19,527,711</u>	<u>\$ 22,338,992</u>

Business-Type Activities

Net position from the District’s business-type activities increased by \$72,161. (Refer to Figure A-4). The most significant factors contributing to these results were that the Seamless Summer Option Program ended in the prior year and the District’s paid lunch sales resumed.

Financial Analysis of the District’s Funds

The District’s fund balances decreased on the GAAP basis by (\$574,278) during the fiscal year – General Fund Balance decreased by (\$583,828), Special Revenue Fund Balance increased by \$8,743, and Debt Service Fund Balance increased by \$807 during the fiscal year. To maintain a stable financial position, the District must continue to practice sound fiscal management.

General Fund Budgeting Highlights

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

Over the course of the year, the District revised the annual operating budget when the educational needs of the District required it. Approved budgets are a snapshot in time and include estimates and projections that are available during the planning and submission stages. As more specificity becomes available, the projections and estimates are replaced with sound data and the budget is revised accordingly.

**MOUNTAINSIDE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

Capital Assets

At the end of the fiscal year 2023, the School District had \$24,634,830 invested in sites, buildings and building improvements and machinery and equipment. (See Figure A-6). (More detailed information about the District's Capital Assets is presented in Note 7 to the basic financial statements).

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	Restated		Restated		Restated		Change
	2023	2022	2023	2022	2023	2022	2022/2023
Sites	\$ 1,875,070	\$ 1,875,070			\$ 1,875,070	\$ 1,875,070	
Buildings & Building Improvements	22,566,028	23,385,027			22,566,028	23,385,027	
Machinery and Equipment	150,373	167,380	\$ 43,359	\$ 47,074	193,732	214,454	
Total Capital Assets (Net of Depreciation)	<u>\$ 24,591,471</u>	<u>\$ 25,427,477</u>	<u>\$ 43,359</u>	<u>\$ 47,074</u>	<u>\$ 24,634,830</u>	<u>\$ 25,474,551</u>	<u>-3.30%</u>

Overall, capital assets decreased by \$839,721 from fiscal year 2022 to fiscal year 2023. The net decrease in capital assets is due to \$893,136 of depreciation expense offset by \$53,415 of capital additions.

Long – Term Liabilities

At June 30, 2023, the School District had \$16,126,921 of long-term liabilities. (See Figure A-7). (More information about the District's long-term liabilities is presented in Note 9 to the basic financial statements).

Figure A-7

Long-Term Liabilities

	Total School District		Percentage
	Change		Change
	2023	2022	2022/2023
General Obligation Bonds (Financed with Property Tax)	\$ 13,715,000	\$ 15,000,000	-8.57%
Net Pension Liability	2,054,407	1,613,280	
Financed Purchases Payable	61,473	95,035	
Compensated Absences Payable	296,041	313,716	
Total Long-Term Liabilities	<u>\$ 16,126,921</u>	<u>\$ 17,022,031</u>	<u>-5.26%</u>

Contacting the School 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 information, contact the Mountainside Board of Education Office, 1497 Woodacres Drive, Mountainside NJ 07092.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

MOUNTAINSIDE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,645,935	\$ 267,998	\$ 2,913,933
Receivables, net:			
Receivables from State Government	342,095		342,095
Receivables from Federal Government	325,313		325,313
Other Receivables	29,525		29,525
Inventories		7,629	7,629
Restricted Assets:			
Cash and Cash Equivalents	1,267,346		1,267,346
Capital Assets, Net:			
Sites (Land)	1,875,070		1,875,070
Depreciable Buildings and Building Improvements and Machinery and Equipment	22,716,401	43,359	22,759,760
Total Assets	<u>29,201,685</u>	<u>318,986</u>	<u>29,520,671</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	626,227		626,227
Deferred Outflows Related to Pensions	472,008		472,008
Total Deferred Outflows of Resources	<u>1,098,235</u>		<u>1,098,235</u>
LIABILITIES			
Accounts Payable	2,296,099	16,401	2,312,500
Accrued Interest Payable	107,348		107,348
Unearned Revenue	118,217	39,190	157,407
Noncurrent Liabilities:			
Due Within One Year	1,095,327		1,095,327
Due Beyond One Year	15,031,594		15,031,594
Total Liabilities	<u>18,648,585</u>	<u>55,591</u>	<u>18,704,176</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	321,476		321,476
Total Deferred Inflows of Resources	<u>321,476</u>		<u>321,476</u>

MOUNTAINSIDE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
NET POSITION			
Net Investment in Capital Assets	\$ 10,814,998	\$ 43,359	\$ 10,858,357
Restricted for:			
Capital Projects	534,515		534,515
Maintenance	161,579		161,579
Tuition	286,123		286,123
Excess Surplus	750,000		750,000
Unemployment Compensation	66,427		66,427
Scholarships	160,454		160,454
Student Activities	58,521		58,521
Debt Service	34,211		34,211
Unrestricted/(Deficit)	<u>(1,536,969)</u>	<u>220,036</u>	<u>(1,316,933)</u>
Total Net Position	<u>\$ 11,329,859</u>	<u>\$ 263,395</u>	<u>\$ 11,593,254</u>

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

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

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating		Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Capital Grants and Contributions			
Governmental Activities:							
Instruction:							
Regular	\$ 8,001,757	\$ 65,600	\$ 1,668,018		\$ (6,268,139)		\$ (6,268,139)
Special Education	2,127,371		1,802,276		(325,095)		(325,095)
Other Special Instruction	571,828		113,129		(458,699)		(458,699)
School-Sponsored/Other Instruction	181,175		40,464		(140,711)		(140,711)
Support Services:							
Tuition	6,812,308				(6,812,308)		(6,812,308)
Student & Instruction Related Services	2,216,388	166,240	112,187		(1,937,961)		(1,937,961)
General Administrative Services	243,873		199,767		(44,106)		(44,106)
School Administrative Services	663,363				(663,363)		(663,363)
Central Services	283,095		16,296		(266,799)		(266,799)
Plant Operations and Maintenance	1,294,856		44,820		(1,250,036)		(1,250,036)
Pupil Transportation	1,335,205	41,036	328,406		(965,763)		(965,763)
Interest on Long-Term Debt	324,672				(324,672)		(324,672)
Unallocated Depreciation	48,591				(48,591)		(48,591)
Capital Outlay	21,469				(21,469)		(21,469)
Total Governmental Activities	24,125,950	272,876	4,325,363		(19,527,711)		(19,527,711)
Business-Type Activities:							
Food Service	269,527	258,489	75,710			\$ 64,672	64,672
Total Business-Type Activities	269,527	258,489	75,710			64,672	64,672
Total Primary Government	\$ 24,395,477	\$ 531,365	\$ 4,401,073	\$ -0-	(19,527,711)	64,672	(19,463,039)

MOUNTAINSIDE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 17,640,483		\$ 17,640,483
Taxes Levied for Debt Service	1,142,530		1,142,530
Federal and State Aid not Restricted	506,063		506,063
Interest Income	23,389	\$ 7,489	30,878
Miscellaneous Income	426,692		426,692
Other Item - Cancellation of Prior Year Accounts Payable	807		807
Total General Revenue and Other Item	19,739,964	7,489	19,747,453
Change in Net Position	212,253	72,161	284,414
Net Position - Beginning (Restated)	11,117,606	191,234	11,308,840
Net Position - Ending	\$ 11,329,859	\$ 263,395	\$ 11,593,254

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

FUND FINANCIAL STATEMENTS

MOUNTAINSIDE 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	\$ 2,595,669		\$ 16,055	\$ 34,211	\$ 2,645,935
Interfund Receivable	216,016				216,016
Intergovernmental Receivable:					
State	342,095				342,095
Federal		\$ 325,313			325,313
Other Accounts Receivable	29,525				29,525
Restricted Assets:					
Cash and Cash Equivalents	1,048,371	218,975			1,267,346
Total Assets	\$ 4,231,676	\$ 544,288	\$ 16,055	\$ 34,211	\$ 4,826,230
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 2,052,455	\$ 60,239			\$ 2,112,694
Interfund Payable		216,016			216,016
Unearned Revenue	69,159	49,058			118,217
Total Liabilities	2,121,614	325,313			2,446,927
Fund Balances:					
Restricted:					
Capital Reserve	534,242				534,242
Maintenance Reserve	161,579				161,579
Tuition Reserve - Restricted for 2023-2024	200,000				200,000
Tuition Reserve - Restricted for 2024-2025	86,123				86,123
Excess Surplus Restricted for 2023-2024	375,000				375,000
Excess Surplus Restricted for 2024-2025	375,000				375,000
Capital Projects			\$ 273		273
Debt Service				\$ 34,211	34,211
Unemployment Compensation	66,427				66,427
Scholarships		160,454			160,454
Student Activities		58,521			58,521
Committed			15,782		15,782
Assigned:					
Encumbrances	9,043				9,043
Unassigned	302,648				302,648
Total Fund Balances	2,110,062	218,975	16,055	34,211	2,379,303
Total Liabilities and Fund Balances	\$ 4,231,676	\$ 544,288	\$ 16,055	\$ 34,211	\$ 4,826,230

MOUNTAINSIDE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are Different Because:

Total Fund Balances - Governmental Funds	\$ 2,379,303
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the Funds.	24,591,471
Interest on long term debt is not accrued in government funds, but rather is recognized as expenditure when due.	(107,348)
The Deferred Amount on Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure.	626,227
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(2,054,407)
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	288,603
Deferred Inflows	(321,476)
Long-Term Liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(14,072,514)</u>
Net Position of Governmental Activities (Exhibit A-1)	<u><u>\$ 11,329,859</u></u>

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

MOUNTAINSIDE 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
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 17,640,483			\$ 1,142,530	\$ 18,783,013
Tuition from Individuals	65,600				65,600
Transportation Fees From Individuals	41,036				41,036
Interest Earned on Capital Reserve Funds	17,233				17,233
Interest Earned on Maintenance Reserve Funds	6,156				6,156
Restricted Miscellaneous Revenue	17,347	\$ 220,762			238,109
Unrestricted Miscellaneous Revenue	188,583				188,583
Total - Local Sources	17,976,438	220,762		1,142,530	19,339,730
State Sources	4,706,165	5,417		448,072	5,159,654
Federal Sources		597,996			597,996
Total Revenue	22,682,603	824,175		1,590,602	25,097,380
EXPENDITURES:					
Current:					
Regular Instruction	4,186,185	465,367			4,651,552
Special Education Instruction	1,107,886	162,888			1,270,774
Other Special Instruction	345,843				345,843
School Sponsored/Other Instruction	100,344				100,344
Support Services and Undistributed Costs:					
Tuition	6,812,308				6,812,308
Student & Instruction Related Services	1,452,624	166,240			1,618,864
General Administration	231,312				231,312
School Administration	395,845				395,845
Central Services	235,257				235,257
Plant Operations and Maintenance	1,075,547				1,075,547
Pupil Transportation	1,335,206				1,335,206
Unallocated Benefits	5,913,190				5,913,190
Debt Service:					
Redemption of Principal				1,285,000	1,285,000
Interest and Other Charges				305,602	305,602
Capital Outlay	74,884	20,937			95,821
Total Expenditures	23,266,431	815,432		1,590,602	25,672,465
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(583,828)	8,743			(575,085)
Other Financing Sources/(Uses):					
Cancellation of Prior Year Accounts Payable				807	807
Total Other Financing Sources/(Uses)				807	807
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(583,828)	8,743		807	(574,278)
Fund Balance—July 1	2,693,890	210,232	\$ 16,055	33,404	2,953,581
Fund Balance—June 30	\$ 2,110,062	\$ 218,975	\$ 16,055	\$ 34,211	\$ 2,379,303

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

MOUNTAINSIDE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, 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) \$ (574,278)

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

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

Depreciation expense	\$ (889,421)
Capital outlays	53,415
	(836,006)

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 (+)

17,675

Repayment of financed purchases 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. (+)

33,562

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 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 (+).

40,434

Repayment of bonds 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. (+)

1,285,000

The governmental funds report the effect of deferred amount on a bond refunding relative to an advance refunding when debt is first issued whereas these amounts are deferred and amortized in the statement of activities. (+)

(59,504)

MOUNTAINSIDE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, 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 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	\$ (441,127)
Change in Deferred Outflows	(2,435)
Change in Deferred Inflows	<u>748,932</u>
Change in Net Position - Governmental Activities (from A-2)	<u>\$ 212,253</u>

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

	Business-type Activities - Enterprise
	Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 267,998
Inventories	7,629
	275,627
Total Current Assets	275,627
Non-Current Assets:	
Capital Assets	130,627
Less: Accumulated Depreciation	(87,268)
	43,359
Total Non-Current Assets	43,359
Total Assets	318,986
LIABILITIES:	
Current Liabilities:	
Accounts Payable	16,401
Unearned Revenue - Prepaid Sales	8,840
Unearned Revenue - Donated Commodities	2,922
Unearned Revenue - Supply Chain Assistance	27,428
	55,591
Total Current Liabilities	55,591
NET POSITION:	
Investment in Capital Assets	43,359
Unrestricted	220,036
	263,395
Total Net Position	\$ 263,395

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

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

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Nonreimbursable Programs	\$ 159,334
Daily Sales - Non-Reimbursable Programs	99,155
Total Operating Revenue	258,489
Operating Expenses:	
Cost of Sales - Reimbursable Programs	102,884
Cost of Sales - Nonreimbursable Programs	29,019
Salaries, Benefits & Payroll Taxes	106,731
Supplies, Insurance & Other Costs	17,166
Management Fee	10,012
Depreciation Expense	3,715
Total Operating Expenses	269,527
Operating Loss	(11,038)
Non-Operating Income:	
Local Sources:	
Interest Income	7,489
State Sources:	
State School Lunch Program	2,394
Federal Sources:	
Supply Chain Assistance Funding	20,015
National School Lunch Program	36,822
Food Distribution Program	16,479
Total Non-Operating Income	83,199
Change in Net Position	72,161
Net Position - Beginning of Year (Restated)	191,234
Net Position - End of Year	\$ 263,395

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

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

	Business-type Activities - Enterprise Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 258,489
Payments to Food Service Contractor	(246,635)
Net Cash Provided by Operating Activities	11,854
Cash Flows from Investing Activities:	
Local Sources:	
Interest Income	7,489
Net Cash Provided by Investing Activities	7,489
Cash Flows from Noncapital Financing Activities:	
State Sources - Received in Food Service Fund	2,951
Federal Sources Received in Food Service Fund	108,469
Net Cash Provided by Noncapital Financing Activities	111,420
Net Increase in Cash and Cash Equivalents	130,763
Cash and Cash Equivalents, July 1	137,235
Cash and Cash Equivalents, June 30	\$ 267,998
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	\$ (11,038)
Adjustment to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	3,715
Food Distribution Program	16,479
Changes in Assets and Liabilities:	
(Increase) in Inventories	(3,036)
Increase in Unearned Revenue	2,983
Increase in Accounts Payable	2,751
Net Cash Provided by Operating Activities	\$ 11,854

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$18,119 and utilized U.S.D.A. Commodities valued at \$16,479.

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

MOUNTAINSIDE 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 the Mountainside 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.

MOUNTAINSIDE 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)

Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. 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 with 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 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.

MOUNTAINSIDE 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)

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 fund:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The food service fund is 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. Non-exchange 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 the governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

MOUNTAINSIDE 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 a vote of 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. All budget amendments/transfers must be made by School Board resolution. All budgeting 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 budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

MOUNTAINSIDE 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)

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 and Other Financing Sources" from the Budgetary Comparison Schedule	\$ 22,704,487	\$ 780,622
Differences - 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		(52,884)
Prior Year Encumbrances		96,437
Prior Year State Aid Payments Recognized for GAAP Statements	105,187	
Current Year State Aid Payment Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(127,071)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 22,682,603</u>	<u>\$ 824,175</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 23,266,431	\$ 771,879
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		(52,884)
Prior Year Encumbrances		96,437
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 23,266,431</u>	<u>\$ 815,432</u>

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash, change funds, amount in deposits, and short-term investments with maturities of one year or less.

MOUNTAINSIDE 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: (Cont'd)

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 fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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.

MOUNTAINSIDE 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)

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 and/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 and prepaid expenses, 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 fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

K. Capital Assets:

During the 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:

MOUNTAINSIDE 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: (Cont'd)

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 Years
Machinery and Equipment	10 to 15 Years
Computer and Related Technology	5 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 the 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 is 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 is 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 premium 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 allows employees who provide services to the District over the ten-month academic year the option to have their salaries evenly disbursed during the entire twelve month year. As of June 30, 2023, the amount earned by these employees but not disbursed was \$144,696.

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.

MOUNTAINSIDE 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: (Cont'd)

It is the district's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave has been recorded in the governmental activities in the district-wide statements.

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 in more than one year.

Q. Leases 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. Subscriptions Payable:

In the district-wide financial statements, subscriptions payable 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 \$2,110,062 General Fund balance at June 30, 2023, \$534,242 is restricted in the capital reserve account; \$161,579 is restricted in the maintenance reserve account; \$286,123 is restricted in the tuition reserve account; \$375,000 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2024; \$375,000 is current year excess surplus and will be anticipated and included as anticipated revenue for the fiscal year ending June 30, 2025; \$66,427 is restricted for unemployment compensation; \$9,043 is assigned for encumbrances and \$302,648 is unassigned which is \$127,071 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 \$218,975 Special Revenue Fund balance at June 30, 2023, \$160,454 is restricted for scholarships; \$58,521 is restricted for student activities.

Capital Projects Fund: Of the \$16,005 of Capital Projects Fund balance at June 30, 2023 \$273 is restricted and \$5,782 is committed for Capital Projects.

Debt Service Fund: The \$34,211 of Debt Service Fund balance at June 30, 2023 is restricted.

MOUNTAINSIDE 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)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for 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 year's budget. The district has excess surplus as noted above.

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 related 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 last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two 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 final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

U. Deficit Fund Balance/Net Position:

The district had a deficit in unrestricted net position of \$1,536,969 in governmental activities and a \$1,316,933 in its total net position. These deficits in unrestricted governmental activities and total net position is primarily due to the net pension liability and related deferred inflows and outflows, and compensated absences payable offset by the assigned and unassigned governmental fund balances at June 30, 2023. These deficits do not indicate that the district is experiencing financial difficulties and is a permitted practice under generally accepted accounting principles.

V. 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 related to pensions and the deferred amount on refunding.

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 related to pensions at June 30, 2023.

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

MOUNTAINSIDE 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)

V. Net Position: (Cont'd)

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.

W. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by the 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 in the General Fund for a capital reserve, a maintenance reserve, a tuition reserve, excess surplus and unemployment compensation. Fund balance restrictions have been established in the Special Revenue Fund for scholarships and student activities, and in the Capital Projects 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 committed resources at June 30, 2023 in the Capital Projects Fund.

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 at June 30, 2023 in the General Fund for encumbrances.

MOUNTAINSIDE 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 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 activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

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.

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

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.

NOTE 3. 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 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 District 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 District's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District 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 District 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's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which New Jersey school districts are permitted to invest their funds.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

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

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

MOUNTAINSIDE 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)

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, 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 Board 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;
- (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

MOUNTAINSIDE 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)

- (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 of the district consisted of the following:

Cash and Cash Equivalents								
Restricted								
	Capital Reserve	Maintenance Reserve	Tuition Reserve	Unemployment	Scholarships	Student Activities	Unrestricted	Total
Checking Accounts	\$534,242	\$ 161,579	\$286,123	\$ 66,427	\$ 160,454	\$58,521	\$ 2,913,933	\$4,181,279

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the district's cash and cash equivalents at June 30, 2023, was \$4,181,279 and the bank balance was \$4,703,754.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Mountainside School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at 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.

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

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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:

Balance at June 30, 2022		\$ 570,424
Deposits:		
Interest Earnings		17,233
Unexpended Money Returned from Capital Outlay		6,585
		594,242
Decreased by:		
Withdrawal by Board Resolution		60,000
		\$ 534,242

The balance in the capital reserve at June 30, 2023 did not exceed the balance of local support costs of uncompleted capital projects in the District’s approved Long Range Facilities Plan. The withdrawal from the capital reserve was for use in DOE approved facilities projects consistent with the District’s LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by Board resolution. These funds may 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.

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

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

If the account exceeds this maximum amount at June 30, the excess shall be restricted 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.

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

Balance at June 30, 2022	\$	155,423
Deposits:		
Interest Earnings		6,156
Balance at June 30, 2023	\$	161,579

NOTE 6. TUITION RESERVE ACCOUNT

A tuition reserve account may be established in accordance with N.J.A.C. 6A:23-3.1(f) for tuition between two Boards of Education that are in a formal sending/receiving relationship. The maximum amount that may be restricted at year end is 10% of the estimated contract year tuition. Upon certification of tuition rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be restricted and budgeted for tax relief.

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

Balance at June 30, 2022	\$	401,317
Deposits:		
June 2023 Board Resolution		86,123
		487,440
Decreased by:		
Budgeted Withdrawal		201,317
Balance at June 30, 2023	\$	286,123

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

NOTE 7. CAPITAL ASSETS

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

	(Restated)			
	Balance			Balance
	June 30, 2022	Increases	Decreases	June 30, 2023
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 1,875,070			\$ 1,875,070
Total Capital Assets not Being Depreciated	<u>1,875,070</u>			<u>1,875,070</u>
Capital Assets Being Depreciated:				
Buildings and Building Improvements	31,266,670	\$ 53,415		31,320,085
Machinery and Equipment	423,785			423,785
Total Capital Assets Being Depreciated	<u>31,690,455</u>	<u>53,415</u>		<u>31,743,870</u>
Governmental Activities Capital Assets	<u>33,565,525</u>	<u>53,415</u>		<u>33,618,940</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(7,881,643)	(872,414)		(8,754,057)
Machinery and Equipment	(256,405)	(17,007)		(273,412)
Total Accumulated Depreciation	<u>(8,138,048)</u>	<u>(889,421)</u>		<u>(9,027,469)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 25,427,477</u>	<u>\$ (836,006)</u>	<u>\$ - 0 -</u>	<u>\$ 24,591,471</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 130,627			\$ 130,627
Less Accumulated Depreciation	(83,553)	\$ (3,715)		(87,268)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 47,074</u>	<u>\$ (3,715)</u>	<u>\$ - 0 -</u>	<u>\$ 43,359</u>
GRAND TOTAL	<u>\$ 25,474,551</u>	<u>\$ (839,721)</u>	<u>\$ - 0 -</u>	<u>\$ 24,634,830</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 558,335
Special Education	67,717
Student and Instruction Related Services	107,936
General Administration	15,686
School Administration	20,926
Operations and Maintenance of Plant	70,230
Student Transportation	48,591
	<u>\$ 889,421</u>

MOUNTAINSIDE 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 made no transfers to the capital outlay accounts.

NOTE 9. LONG TERM LIABILITIES

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

	Balance 6/30/2022	Accrued	Retired	Balance 6/30/2023
Bonds Payable	\$ 15,000,000		\$ 1,285,000	\$ 13,715,000
Financed Purchases Payable	95,035		33,562	61,473
Compensated Absences Payable	313,716	\$ 37,363	55,038	296,041
Net Pension Liability	1,613,280	441,127		2,054,407
	\$ 17,022,031	\$ 478,490	\$ 1,373,600	\$ 16,126,921

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. Bonds issued by the Board are general obligation bonds and all are retired in serial installments within the statutory period of usefulness.

2014 School Bonds were originally issued July 17, 2014 in the amount of \$19,484,000. The outstanding balance of this issue at June 30, 2023 is \$895,000, which is payable in an installment due August 15, 2023 at an interest rate of 3.000%. Interest on the Bonds is paid semi-annually.

On February 15, 2022, the District issued debt in the amount of \$13,075,000 with interest rates ranging from 0.504% to 2.633% with consent of the taxpayers through a referendum to repair the infrastructure of its buildings and acquire two additional school buildings to fulfill enrollment and curriculum demands. The bonds mature on August 15, 2022 through 2034.

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

Purpose	Final Maturity Date	Interest Rate	Principal Amount
School Bonds, Series 2014	8/15/23	3.00%	\$ 895,000
Refunding School Bonds, Series 2021	8/15/34	0.797% - 2.633%	12,820,000
			\$ 13,715,000

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

NOTE 9. LONG TERM LIABILITIES

A. Bonds Payable: (Cont'd)

Principal and interest due on Serial Bonds outstanding are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,010,000	\$ 272,379	\$ 1,282,379
2025	1,035,000	252,689	1,287,689
2026	1,045,000	239,547	1,284,547
2027	1,065,000	223,616	1,288,616
2028	1,095,000	205,205	1,300,205
2029-2033	5,880,000	675,785	6,555,785
2034-2035	2,585,000	67,886	2,652,886
	<u>\$ 13,715,000</u>	<u>\$ 1,937,107</u>	<u>\$ 15,652,107</u>

The Debt Service Fund will be used to liquidate the Serial Bonds

B. Bonds Authorized But Not Issued:

As of June 30, 2023, the District has no bonds authorized but not issued.

C. Financed Purchases Payable:

The district's financed purchases related to financing student Chromebook and Tablets. The financed purchases totaled \$158,391 of which \$96,918 has been liquidated as of June 30, 2023. The financed purchases are each for a term of five years. The schedule of the future minimum financed purchase payments under the district's financed purchases, and the present value of the net minimum financed purchase payments at June 30, 2023 is as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2024	\$ 31,678
June 30, 2025	31,679
Total future minimum lease payments	63,357
Less: amount representing interest	1,884
Present value of minimum representing interest	<u>\$ 61,473</u>

The current portion of the financed purchase payable as June 30, 2023 in the governmental activities is \$30,289 and the long-term portion is \$31,184. The General Fund will be used to liquidate the financed purchase payable in the governmental activities.

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

NOTE 9. LONG TERM LIABILITIES (Cont'd)

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in current and long-term portions. There is no current portion of the compensated absences liability at June 30, 2023. Thus, the entire balance of compensated absences of \$296,041 is a long-term portion.

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 Food Service Fund.

The General Fund will be used to liquidate the Compensated Absences Payable.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in current and long-term portions 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 \$2,054,407. See Note 10 for further information on the PERS.

NOTE 10. 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.

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

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for PERS:

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. 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.

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 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.

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

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

District contributions to PERS amounted to \$171,668 for the current fiscal year. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$4,323 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 and Inflows of Resource Related to Pensions

At June 30, 2023, the District reported a liability of \$2,054,407 for its proportionate share of the net pension liability. 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 0.013613%, which was a decrease of 0.000005% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the district recognized an actual pension benefit of \$133,703 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$4,323 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:

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

NOTE 10. PENSION PLANS (Cont'd)

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

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:	2018	5.63		\$ (49,384)
	2019	5.21		(61,713)
	2020	5.16		(181,471)
	2021	5.13	\$ 6,365	
	2022	5.04		(15,058)
Subtotal			6,365	(307,626)
Changes in Proportion:	2018	5.63	3,866	
	2019	5.21	13,110	
	2020	5.16	34,844	
	2021	5.13	130,560	
	2022	5.04		(774)
Subtotal			182,380	(774)
Difference Between Expected and Actual Experience:	2018	5.63		(1,881)
	2019	5.21	4,717	
	2020	5.16	10,111	
	2021	5.13		(5,062)
	2022	5.04		(6,133)
Subtotal			14,828	(13,076)
Net Difference Between Projected and Actual Investment Earnings Pension Plan Investments:	2019	5.00	2,032	
	2020	5.00	61,071	
	2021	5.00	(380,922)	
	2022	5.00	402,849	
Subtotal			85,030	
District Contribution Subsequent to the Measurement Date	2022	1.00	183,405	
			\$ 472,008	\$ (321,476)

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

NOTE 10. PENSION PLANS (Cont'd)

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

Pension Liabilities, Pension Expense and Deferred Outflows and Inflows of Resource 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 the 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	\$ (176,225)
2024	(89,781)
2025	(43,784)
2026	95,521
2027	(210)
	\$ (214,479)

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, applied to all periods in the measurement:

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.

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

NOTE 10. 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 nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

NOTE 10. 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	\$ 2,639,312	\$ 2,054,407	\$ 1,556,630

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.

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

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 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 \$2,076,670 to the TPAF for normal pension benefits on behalf of the district, which is more than the contractually required contribution of \$709,788.

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

NOTE 10. PENSION PLANS (Cont'd)

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

Special Funding Situation (Cont'd)

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 associated with the District was \$26,373,617. 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 0.0511%, which was an increase of 0.0011% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$ - 0 -
State's Proportionate Share of the Net Pension Liability Associated with the District	26,373,617
Total	\$ 26,373,617

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the district in the amount of \$709,788 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

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

NOTE 10. 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)

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	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>

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

NOTE 10. 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 following actuarial assumptions, 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.

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

NOTE 10. 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 weighing 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.

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

NOTE 10. PENSION PLANS (Cont'd)

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

Sensitivity of the District'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 above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 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	\$ 30,923,627	\$ 26,373,617	\$ 22,540,806
<u>Pension Plan Fiduciary Net Position - TPAF</u>			

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 \$8,377 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$19,962 for the fiscal year ended June 30, 2023.

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

NOTE 11. DEFERRED COMPENSATION

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

The plan administrators are as follows:

AXA Equivest	Equitable
Valic	MetLife

Equitable Life Assurance and MetLife are the plan administrators for the District's Internal Revenue Code 457 plans.

NOTE 12. 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.

Property, Liability and Health Benefits

The district is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF provides its members with Workers' Compensation, Comprehensive General Liability and Automobile Liability, Property, Boiler and Machinery, and School Board Legal Liability Insurance. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The SAIF is a risk-sharing fund that is 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 SAIF are elected.

As a member of the SAIF, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the SAIF were to be exhausted, members would become responsible for their respective shares of the SAIF's liabilities.

The SAIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

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

NOTE 12. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

Selected summarized financial information for the SAIF as of June 30, 2023 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	<u>\$ 55,099,784</u>
Net Position	<u>\$ 19,896,776</u>
Total Revenue	<u>\$ 53,694,497</u>
Total Expenses	<u>\$ 54,788,356</u>
Change in Net Position	<u>\$ (1,093,859)</u>
Members Dividends	<u>\$ - 0 -</u>

Financial statements for the SAIF are available at the SAIF's Executive Director's Office:

Public Entity Group Administrative Services
51 Everett Drive
Suite B-40
West Windsor, NJ 08550

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 Unemployment Compensation Restricted Fund Balance 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 the District's contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Restricted Fund Balance for the current year:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 44,376	\$ 2,150	\$ 21,785	\$ 66,427

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

NOTE 13. 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 14. INTERFUND RECEIVABLES AND PAYABLES

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 216,015	
Special Revenue Fund		\$ 216,015
	\$ 216,015	\$ 216,015

The interfund receivable in the General Fund is due for the Special Revenue Fund for a cash deficit due to a timing lag between request and receipt of federal grant reimbursements.

NOTE 15. TAX CALENDAR

Property taxes are levied 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, September 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 local school district on a predetermined, agreed-upon schedule.

NOTE 16. COMMITMENTS AND CONTINGENT LIABILITIES

Grant Programs

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

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

NOTE 16. COMMITMENTS AND CONTINGENT LIABILITIES (Cont'd)

Litigation

The district is periodically involved in various lawsuits. The district estimates that the potential claims against it resulting from any such litigation and not covered by insurance would not materially affect the financial position of the district.

Encumbrances

At June 30, 2023, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 9,043	\$ 52,884	\$ 61,927

On the District's Governmental Funds Balance Sheet as of June 30, 2023, \$- 0 - is assigned for year-end encumbrances in the Special Revenue Fund, which is \$52,884 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 17. ACCOUNTS PAYABLE

Payables, as of June 30, 2023, were as follows:

	Governmental Funds		District Contribution Subsequent to Measurement Date	Total Governmental Activities	Business-Type Activities
	General Fund	Special Revenue Fund			Proprietary Funds
Vendors	\$ 1,890,386	\$ 60,239		\$ 1,950,625	\$ 16,401
Payroll Deductions and Withholdings	17,373			17,373	
Accrued Salaries and Wages	144,696			144,696	
Due to:					
State of New Jersey			\$ 183,405	183,405	
	\$ 2,052,455	\$ 60,239	\$ 183,405	\$ 2,296,099	\$ 16,401

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

NOTE 18. 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 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 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 financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

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

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	151,669
Active Plan Members	<u>213,148</u>
Total	<u><u>364,817</u></u>

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.

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

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

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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%.

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 Associated with the District

	Total OPEB Liability
Balance at June 30, 2021	\$ 24,980,558
Changes for Year:	
Service Cost	1,434,474
Interest on the Total OPEB Liability	556,482
Difference between Actual and Expected Experience	193,499
Changes of Assumptions	(5,633,025)
Gross Benefit Payments by the State	(551,212)
Contributions from Members	17,683
Net Changes	(3,982,099)
Balance at June 30, 2022	\$ 20,998,459

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

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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	\$ 24,681,480	\$ 20,998,459	\$ 18,046,702

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	\$ 17,356,510	\$ 20,998,459	\$ 25,782,380

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 \$642,335 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 associated with the District from the following sources:

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

NOTE 18. 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)

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 1,090,262
	2018	9.51		1,040,421
	2019	9.29	\$ 146,892	
	2020	9.24	3,468,177	
	2021	9.24	19,233	
	2022	9.13		5,016,045
			<u>3,634,302</u>	<u>7,146,728</u>
Differences between Expected and Actual Experience	2018	9.51		983,521
	2019	9.29		1,728,923
	2020	9.24	3,232,477	
	2021	9.24		3,698,628
	2022	9.13	516,581	
			<u>3,749,058</u>	<u>6,411,072</u>
Changes in Proportion	N/A	N/A	<u>1,536,759</u>	<u>472,619</u>
			<u>\$ 8,920,119</u>	<u>\$ 14,030,419</u>

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

Fiscal Year Ending June 30,	Total
2023	\$ (1,043,633)
2024	(1,043,633)
2025	(1,043,633)
2026	(901,960)
2027	(515,753)
Thereafter	<u>(1,625,828)</u>
	<u>\$ (6,174,440)</u>

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

NOTE 19: PRIOR YEAR ADJUSTMENT

The district made a prior year adjustment in the district-wide financial statements and the proprietary fund financial statements of the district's capital assets. Prior year audited amounts did not agree to the capital assets records of the district.

	Balance June 30, 2022 as Previously Reported	Retroactive Adjustments	Balance June 30, 2022 as Restated
<u>Statement of Net Activities - Governmental Activities:</u>			
Assets:			
Capital Assets, Net:			
Depreciable Buildings and Building Improvements			
Sites, and Machinery and Equipment	\$ 23,340,107	\$ 2,087,370	\$ 25,427,477
Total Assets	26,838,417	2,087,370	28,925,787
Net Position:			
Net Investment in Capital Assets	8,930,803	2,087,370	11,018,173
Net Position - Ending	9,030,236	2,087,370	11,117,606
<u>Statement of Net Position - Business-type Activities:</u>			
Assets:			
Capital Assets, Net:			
Depreciable Buildings and Building			
Improvements and Machinery and Equipment	18,423	28,651	47,074
Total Assets	185,430	28,651	214,081
Net Position:			
Net Investment in Capital Assets	18,423	28,651	47,074
Net Position - Ending	162,583	28,651	191,234

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

MOUNTAINSIDE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICTS 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	2020	2021	2022	2023
District's Proportionat Share of the Net Pension Liability	0.0121242540%	0.0133247350%	0.0149830170%	0.0118650500%	0.0120180750%	0.0122673320%	0.0122673320%	0.0136182040%	0.0136675081%
District's Proportionate Share of the Net Pension Liability	\$ 2,269,592	\$ 2,991,136	\$ 4,437,540	\$ 2,761,994	\$ 2,366,299	\$ 2,210,387	\$ 2,060,773	\$ 1,613,280	\$ 2,054,407
District's Covered Employee Payroll	\$ 889,382	\$ 1,255,418	\$ 803,347	\$ 863,294	\$ 913,837	\$ 957,762	\$ 1,014,975	\$ 1,038,548	\$ 929,318
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	255.19%	238.26%	552.38%	319.94%	258.94%	230.79%	203.04%	155.34%	221.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	46.41%

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

MOUNTAIN INSIDE 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	2020	2021	2022	2023
Contractually Required Contribution	\$ 99,933	\$ 114,557	\$ 133,107	\$ 109,917	\$ 120,197	\$ 119,325	\$ 138,243	\$ 159,485	\$ 171,668
Contributions in Relation to the Contractually Required Contribution	(99,933)	(114,557)	(133,107)	(109,917)	(120,197)	(119,325)	(138,243)	(159,485)	(171,668)
Contribution Deficiency/(Excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's Covered Employee Payroll	\$ 889,382	\$ 1,255,418	\$ 803,347	\$ 863,294	\$ 913,837	\$ 957,762	\$ 1,014,975	\$ 1,038,548	\$ 929,318
Contributions as a Percentage of Covered Employee Payroll	11.24%	9.13%	16.57%	12.73%	13.15%	12.46%	13.62%	15.36%	18.47%

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

MOUNTAINSIDE 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	2020	2021	2022	2023
State's Proportionate of the Net Pension Liability Attributable to the District	\$ 0.0412357996%	\$ 0.0462460365%	\$ 0.0461256310%	\$ 0.0440637910%	\$ 0.0487949000%	\$ 0.0455134403%	\$ 0.0459915400%	\$ 0.0499742616%	\$ 0.0511171937%
State's Proportionate Share of the Net Pension Liability Attributable to the District	\$ 22,039,193	\$ 29,229,470	\$ 36,285,358	\$ 29,709,397	\$ 31,042,309	\$ 27,932,028	\$ 30,284,876	\$ 24,025,221	\$ 26,373,617
District's Covered Employee Payroll	\$ 4,532,156	\$ 4,875,421	\$ 4,746,097	\$ 4,898,914	\$ 5,230,583	\$ 5,532,815	\$ 5,636,859	\$ 5,943,056	\$ 5,839,218
State's Proportionate Share of the Net Pension Liability Attributable to the District as a Percentage of its Covered Employee Payroll	486.28%	599.53%	764.53%	606.45%	593.48%	504.84%	537.27%	404.26%	451.66%
Plan fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%	26.49%	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.

MOUNTAINSIDE 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	2020	2021	2022	2023
Contractually Required Contribution	\$ 175,165	\$ 248,539	\$ 367,344	\$ 494,797	\$ 737,610	\$ 915,112	\$ 1,042,181	\$ 565,324	\$ 709,788
Contributions in Relation to the Contractually Required Contribution	174,443	(250,023)	(369,299)	(495,631)	(913,877)	(1,026,852)	(1,480,331)	(2,134,008)	(207,667)
Contribution Deficiency/(Excess)	\$ 349,608	\$ (1,484)	\$ (1,955)	\$ (834)	\$ (176,267)	\$ (111,740)	\$ (438,150)	\$ (1,568,684)	\$ 502,121
District's Covered Employee Payroll	\$ 4,532,156	\$ 4,875,421	\$ 4,746,097	\$ 4,898,914	\$ 5,230,583	\$ 5,532,815	\$ 5,636,859	\$ 5,943,056	\$ 5,839,218
Contributions as a Percentage of Covered Employee Payroll	-3.85%	5.13%	7.78%	10.12%	17.47%	18.56%	26.26%	35.91%	3.56%

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

MOUNTAINSIDE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Service Cost	\$ 1,031,795	\$ 852,212	\$ 794,911	\$ 884,370	\$ 1,628,198	\$ 1,434,474
Interest	651,138	758,574	750,343	624,527	648,022	556,482
Change of Benefit Terms	(2,688,790)	(2,162,828)	256,271	4,988,873	(4,111,330)	(5,633,025)
Changes in Assumptions		(692,190)	(2,949,107)	4,087,001	24,645	193,499
Differences between Expected and Actual Experience	17,551	17,418	15,640	14,412	16,567	17,683
Member Contributions	(476,633)	(503,971)	(527,614)	(475,471)	(510,460)	(551,212)
Gross Benefit Payments						
Net Change in Total OPEB Liability	(1,464,939)	(1,730,785)	(1,659,556)	10,123,712	(2,330,947)	(3,982,099)
Total OPEB Liability - Beginning	22,043,073	20,578,134	18,847,349	17,187,793	27,311,505	24,980,558
Total OPEB Liability - Ending	\$ 20,578,134	\$ 18,847,349	\$ 17,187,793	\$ 27,311,505	\$ 24,980,558	\$ 20,998,459
District's Covered Employee Payroll *	\$ 5,762,208	\$ 6,144,420	\$ 6,490,577	\$ 6,651,834	\$ 6,981,604	\$ 6,768,536
Total OPEB Liability as a Percentage of Covered Employee Payroll	357%	307%	265%	411%	358%	310%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2022 are based on the payroll on the June 30, 2016 - 2021 census data.

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

MOUNTAINSIDE 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.

MOUNTAINSIDE 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

MOUNTAINSIDE 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 from Local Sources:					
Local Tax Levy	\$ 17,640,483		\$ 17,640,483	\$ 17,640,483	
Tuition From Individuals	49,000		49,000	65,600	\$ 16,600
Transportation Fees From Individuals	33,000		33,000	41,036	8,036
Unrestricted Miscellaneous Revenues	53,000		53,000	188,583	135,583
Interest Earned on Maintenance Reserve	1,000		1,000	6,156	5,156
Interest Earned on Capital Reserve Funds	1,000		1,000	17,233	16,233
Other Restricted Miscellaneous Revenues				17,347	17,347
Total Revenues from Local Sources	<u>17,777,483</u>		<u>17,777,483</u>	<u>17,976,438</u>	<u>198,955</u>
Revenues from State Sources:					
Categorical Transportation Aid	307,722		307,722	307,722	
Extraordinary Aid	127,296	\$ 168,783	296,079	296,079	
Categorical Special Education Aid	964,731		964,731	964,731	
Categorical Security Aid	19,731		19,731	19,731	
Non Public Transportation Aid				25,896	25,896
State Reimbursement from Securing our Children's Future Bond Act				38,594	38,594
TPAF Post Retirement Contributions (Non-Budgeted)				553,105	553,105
TPAF Pension Contributions (Non-Budgeted)				2,076,670	2,076,670
TPAF Non-Contributory Insurance (Non-Budgeted)				28,811	28,811
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,287	1,287
Reimbursed TPAF Social Security Contributions				415,423	415,423
Total Revenues from State Sources	<u>1,419,480</u>	<u>168,783</u>	<u>1,588,263</u>	<u>4,728,049</u>	<u>3,139,786</u>
TOTAL REVENUE	<u>19,196,963</u>	<u>168,783</u>	<u>19,365,746</u>	<u>22,704,487</u>	<u>3,338,741</u>

MOUNTAINSIDE 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
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 59,088		\$ 59,088	\$ 58,755	\$ 333
Kindergarten - Salaries of Teachers	375,733	\$ (29,360)	346,373	346,372	1
Grades 1-5 - Salaries of Teachers	2,175,892	(44,863)	2,131,029	2,130,919	110
Grades 6-8 - Salaries of Teachers	1,333,469	(10,044)	1,323,425	1,323,416	9
Regular Programs - Home Instruction:					
Salaries of Teachers	8,000	(7,340)	660	660	
Purchased Professional-Educational Services	4,000	34,300	38,300	38,298	2
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	92,492	(4,760)	87,732	87,725	7
Purchased Technical Services	5,000	(3,500)	1,500	1,052	448
Other Purchased Services (400-500 series)	16,311	(6,628)	9,683	9,267	416
General Supplies	215,298	(48,033)	167,265	165,837	1,428
Textbooks	54,000	(31,792)	22,208	21,767	441
Other Objects	2,000	170	2,170	2,117	53
Total Regular Programs - Instruction	4,341,283	(151,850)	4,189,433	4,186,185	3,248
Special Education - Instruction:					
Learning and/or Language Disabilities-Mild to Moderate:					
Salaries of Teachers	64,830		64,830	63,951	879
General Supplies	1,000		1,000	246	754
Total Learning and/or Language Disabilities-Mild to Moderate	65,830		65,830	64,197	1,633

MOUNTAINSIDE 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
Resource Room/Resource Center:					
Salaries of Teachers	\$ 967,923	\$ (197,729)	\$ 770,194	\$ 770,154	\$ 40
Other Salaries for Instruction	271,331	(1,097)	270,234	270,147	87
General Supplies	4,000		4,000	3,388	612
Total Resource Room/Resource Center	1,243,254	(198,826)	1,044,428	1,043,689	739
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,309,084	(198,826)	1,110,258	1,107,886	2,372
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	178,790	137,540	316,330	316,330	
General Supplies	2,000	(1,055)	945	936	9
Total Basic Skills/Remedial - Instruction	180,790	136,485	317,275	317,266	9
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	50,000	(3,260)	46,740	46,739	1
Supplies and Materials	4,000	(900)	3,100	3,098	2
Other Objects	10,000	(1,000)	9,000	9,000	
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	64,000	(5,160)	58,840	58,837	3
School-Sponsored Athletics - Instruction:					
Salaries	37,000	831	37,831	37,831	
Supplies and Materials	10,000	(6,300)	3,700	3,676	24
Other Objects	1,000	(1,000)			
Total School-Sponsored Athletics - Instruction	48,000	(6,469)	41,531	41,507	24

MOUNTAINSIDE 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
Other Supplemental/At Risk Programs - Instruction:					
Salaries of Teachers	\$ 11,000	\$ 8,030	\$ 19,030	\$ 19,030	
Other Salaries of Instruction	6,000	3,550	9,550	9,547	\$ 3
Total Other Suppl/at-risk Prog - Instruction	17,000	11,580	28,580	28,577	3
Total Other Supplemental/at-risk Programs	17,000	11,580	28,580	28,577	3
TOTAL INSTRUCTION	5,960,157	(214,240)	5,745,917	5,740,258	5,659
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	4,709,383	69,661	4,779,044	4,779,039	5
Tuition to Other LEAs Within the State-Special	509,000	153,783	662,783	579,185	83,598
Tuition to County Voc. School Dist.-Regular	270,000	54,650	324,650	324,650	
Tuition to Priv. Sch. for the Handicap. W/I State	908,256	252,483	1,160,739	1,129,434	31,305
Total Undistributed Expenditures - Instruction	6,396,639	530,577	6,927,216	6,812,308	114,908
Undistributed Expenditures - Health Services:					
Salaries	154,393	(815)	153,578	153,578	
Purchased Professional and Technical Services	3,823	(823)	3,000	2,891	109
Supplies and Materials	6,076	(4,530)	1,546	1,440	106
Other Objects	400	(400)			
Total Undist. Expenditures - Health Services	164,692	(6,568)	158,124	157,909	215
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	142,814	1,157	143,971	143,971	
Purchased Professional - Educational Services	24,000	5,735	29,735	29,728	7
Supplies and Materials	1,000		1,000	724	276
Total Undist. Expend. - Speech, OT, PT, Related Svcs	167,814	6,892	174,706	174,423	283

MOUNTAINSIDE 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
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Purchased Professional - Educational Services	\$ 70,000	\$ 1,223	\$ 71,223	\$ 60,894	\$ 10,329
Total Undist. Expend. - Other Supp. Srvs. Students - Extra. Serv.	<u>70,000</u>	<u>1,223</u>	<u>71,223</u>	<u>60,894</u>	<u>10,329</u>
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	121,484	(1,029)	120,455	120,450	5
Other Purchased Services (400-500 series)	1,500	(700)	800	800	800
Supplies and Materials	700		700	384	316
Total Undist Expend. - Guidance	<u>123,684</u>	<u>(1,729)</u>	<u>121,955</u>	<u>120,834</u>	<u>1,121</u>
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	315,299	13,269	328,568	328,564	4
Salaries of Secretarial and Clerical Assistants	66,320	135	66,455	66,454	1
Purchased Professional - Educational Services	8,000	19,207	27,207	27,206	1
Other Purchased Prof. and Tech. Services	3,500	4,020	7,520	7,519	1
Other Purchased Services (400-500 series)	667	100	767	726	41
Supplies and Materials	21,000	(6,965)	14,035	14,034	1
Other Objects	450	490	940	940	
Total Undist Expend. - Child Study Team	<u>415,236</u>	<u>30,256</u>	<u>445,492</u>	<u>445,443</u>	<u>49</u>
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	141,563	(590)	140,973	131,972	9,001
Sal of Facilitators, Math Coaches & Literacy Coaches		2,100	2,100	2,100	
Other Purchased Services (400-500 series)	6,000	(6,000)			
Supplies and Materials	12,000	(7,930)	4,070	4,070	
Total Undist. Expend.-Improv. of Inst. Serv.	<u>159,563</u>	<u>(12,420)</u>	<u>147,143</u>	<u>138,142</u>	<u>9,001</u>

MOUNTAINSIDE 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
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	\$ 158,664	\$ 2,968	\$ 161,632	\$ 161,501	\$ 131
Salaries of Technology Coordinators	93,037	(19,460)	73,577	73,574	3
Other Purchased Services (400-500 series)	66,000	37,895	103,895	103,282	613
Supplies and Materials	16,500	850	17,350	15,317	2,033
Total Undist Expend.-Edu. Media Serv./Sch. Library	334,201	22,253	356,454	353,674	2,780
Undist.Expend.-Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	4,000	(2,630)	1,370	1,305	65
Total Undist.Expend.-Instructional Staff Training Services	4,000	(2,630)	1,370	1,305	65
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	102,568		102,568	102,322	246
Legal Services	32,000	(5,208)	26,792	26,792	
Audit Fees	31,275	(18,775)	12,500		12,500
Architectural/Engineering Services	3,000	(3,000)			
Purchased Technical Services	12,600	6,220	18,820	18,812	8
Communications / Telephone	33,000	(3,062)	29,938	29,937	1
BOE Other Purchased Services	3,000	(3,000)			
Other Purch. Serv. (400-500 series other than 530 & 585)	15,000	1,425	16,425	16,099	326
General Supplies	25,000	1,308	26,308	26,308	
Miscellaneous Expenditures	5,000	(2,114)	2,886	2,885	1
BOE Membership Dues and Fees	8,500	(300)	8,200	8,157	43
Total Undist. Expend.-Support Serv.-Gen. Admin.	270,943	(26,506)	244,437	231,312	13,125

MOUNTAINSIDE 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
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 211,433	\$ 467	\$ 211,900	\$ 211,899	\$ 1
Salaries of Secretarial and Clerical Assistants	180,754	(5,290)	175,464	175,454	10
Other Purchased Services (400-500 series)	5,580	(1,000)	4,580	4,075	505
Supplies and Materials	3,000	(583)	2,417	2,209	208
Other Objects	2,200	10	2,210	2,208	2
Total Undist. Expend.-Support Serv.-School Adm.	402,967	(6,396)	396,571	395,845	726
Undist. Expend. - Central Services:					
Salaries	209,870	3,716	213,586	213,586	
Purchased Technical Services	14,500	1,056	15,556	15,555	1
Miscellaneous Purchased Services (400-500 series other than 594)	1,000		1,000	780	220
Supplies and Materials	13,000	(10,725)	2,275	2,233	42
Other Objects	2,500	604	3,104	3,103	1
Total Undist. Expend. - Central Services	240,870	(5,349)	235,521	235,257	264
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	112,344	(3,820)	108,524	108,521	3
Cleaning, Repair, and Maintenance Services	89,335	(30,870)	58,465	58,302	163
General Supplies	24,595	(8,198)	16,397	16,152	245
Total Undist. Expend.- Required Maint. for School Facilities	226,274	(42,888)	183,386	182,975	411

MOUNTAINSIDE 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
Undist. Expend.-Custodial Services:					
Salaries	\$ 414,914	\$ (43,214)	\$ 371,700	\$ 370,397	\$ 1,303
Salaries of Non-Instructional Aides	27,921	(27,921)			
Purchased Professional and Technical Services	7,500		7,500	5,101	2,399
Cleaning, Repair, and Maintenance Services	13,000	3,279	16,279	15,819	460
Other Purchased Property Services	16,000	531	16,531	16,238	293
Insurance	83,500	16,745	100,245	100,245	
General Supplies	47,562	(18,092)	29,470	29,352	118
Energy (Electricity)	175,000	87,775	262,775	262,773	2
Total Undist. Expend.-Custodial Services	851,397	(46,897)	804,500	799,925	4,575
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	25,000	(10,200)	14,800	13,984	816
Total Care And Upkeep Of Grounds	25,000	(10,200)	14,800	13,984	816
Security:					
Purchased Professional and Technical Services	27,110	51,555	78,665	78,663	2
Total Security	27,110	51,555	78,665	78,663	2
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	1,129,781	(48,430)	1,081,351	1,075,547	5,804
Undist. Expend.-Student Transportation Serv.:					
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	87,200	(4,150)	83,050	83,048	2
Contract. Serv.(Bet. Home & Sch.)-Vendors	320,000	128,975	448,975	448,971	4
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	20,000	1,500	21,500	21,500	
Contract. Serv.(Spl. Ed. Students)-Vendors	435,000	346,695	781,695	781,687	8
Total Undist. Expend.-Student Trans. Serv.	862,200	473,020	1,335,220	1,335,206	14

MOUNTAINSIDE 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
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 156,000	\$ 7,510	\$ 163,510	\$ 163,509	\$ 1
Other Retirement Contributions - PERS	175,000	(3,327)	171,673	171,668	5
Other Retirement Contributions - Regular		8,377	8,377	8,377	
Workers Compensation	62,000	(12,590)	49,410	49,409	1
Health Benefits	2,603,287	(206,040)	2,397,247	2,397,247	
Tuition Reimbursement	16,000	(16,000)			
Other Employee Benefits	72,000	(24,100)	47,900	47,684	216
TOTAL UNALLOCATED BENEFITS	3,084,287	(246,170)	2,838,117	2,837,894	223
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				553,105	(553,105)
TPAF Pension Contributions (Non-Budgeted)				2,076,670	(2,076,670)
TPAF Non-Contributory Insurance (Non-Budgeted)				28,811	(28,811)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,287	(1,287)
Reimbursed TPAF Social Security Contributions				415,423	(415,423)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				3,075,296	(3,075,296)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	3,084,287	(246,170)	2,838,117	5,913,190	(3,075,073)
TOTAL UNDISTRIBUTED EXPENDITURES	13,826,877	708,023	14,534,900	17,451,289	(2,916,389)
TOTAL GENERAL CURRENT EXPENSE	19,787,034	493,783	20,280,817	23,191,547	(2,910,730)

MOUNTAINSIDE 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
CAPITAL OUTLAY					
Facilities Acquisition and Construction Serv.:					
Construction Services	\$ 64,463		\$ 64,463	\$ 53,415	\$ 11,048
Assessment for Debt Service on SDA Funding	21,469		21,469	21,469	
Total Facilities Acquisition and Const. Serv.	85,932		85,932	74,884	11,048
TOTAL CAPITAL OUTLAY	85,932		85,932	74,884	11,048
TOTAL EXPENDITURES	19,872,966	\$ 493,783	20,366,749	23,266,431	(2,899,682)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(676,003)	(325,000)	(1,001,003)	(561,944)	439,059
Fund Balance, July 1	2,799,077		2,799,077	2,799,077	
Fund Balance, June 30	\$ 2,123,074	\$ (325,000)	\$ 1,798,074	\$ 2,237,133	\$ 439,059

MOUNTAINSIDE 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>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2023-2024				\$ 375,000	
Excess Surplus - Restricted For 2024-2025				375,000	
Capital Reserve				534,242	
Maintenance Reserve				161,579	
Tuition Reserve - Restricted for 2023-2024				200,000	
Tuition Reserve - Restricted for 2024-2025				86,123	
Unemployment Compensation				66,427	
Assigned Fund Balance:				9,043	
Year End Encumbrances				429,719	
Unassigned Fund Balance				<u>2,237,133</u>	
Reconciliation to Governmental Funds Statement (GAAP):				<u>(127,071)</u>	
Last State Aid Payments not Recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,110,062</u>	

MOUNTAINSIDE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources		\$ 225,722	\$ 225,722	\$ 200,199	\$ (25,523)
Federal Sources	\$ 223,013	730,818	953,831	573,763	(380,068)
State Sources		16,209	16,209	6,660	(9,549)
Total Revenue	223,013	972,749	1,195,762	780,622	(415,140)
Expenditures:					
Instruction:					
Salaries of Teachers	35,227	109,006	144,233	73,481	70,752
Purchased Professional and Educational Services		44,000	44,000	13,018	30,982
Tuition	154,334		154,334	154,334	
General Supplies	10,000	341,654	351,654	205,501	146,153
Total Instruction	199,561	494,660	694,221	446,334	247,887
Support Services:					
Salaries of Other Professional Staff		13,000	13,000	1,135	11,865
Personal Services - Employee Benefits	17,966		17,966	17,966	
Purchased Professional and Technical Services	5,486	134,931	140,417	90,970	49,447
Supplies and Materials		74,515	74,515	28,297	46,218
Scholarships Awarded		6,753	6,753	775	5,978
Student Activities		168,230	168,230	165,465	2,765
Total Support Services	23,452	397,429	420,881	304,608	116,273
Facilities Acquisition:					
Instructional Equipment		80,660	80,660	20,937	59,723
Total Facilities Acquisition		80,660	80,660	20,937	59,723
Total Expenditures	223,013	972,749	1,195,762	771,879	423,883
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 8,743	\$ 8,743

MOUNTAINSIDE 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 and Other Financing Sources" from the Budgetary Comparison Schedule	\$ 22,704,487	\$ 780,622
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, whereas the GAAP Basis does not:		
Current Year Encumbrances		(52,884)
Prior Year Encumbrances		96,437
Prior Year State Aid Payments Recognized for GAAP Statements	105,187	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(127,071)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 22,682,603</u>	<u>\$ 824,175</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 23,266,431	\$ 771,879
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		(52,884)
Prior Year Encumbrances		96,437
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 23,266,431</u>	<u>\$ 815,432</u>

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

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 was submitted to the County office and was approved by a vote of 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)l. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying and the amended budget supplementary information reflect the original 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 student 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 last two State Aid payments for the current year. Since the State is recording the last two 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

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

	Elementary and Secondary Education Act				CRRSA	
	Title I	Title II Part A	Title IV	ESSER II	Learning Acceleration	Mental Health
REVENUE:						
Local Sources						
Federal Sources	\$ 53,193	\$ 15,984	\$ 10,000	\$ 76,942	\$ 6,250	\$ 20,100
State Sources						
Total Revenue	53,193	15,984	10,000	76,942	6,250	20,100
EXPENDITURES:						
Instruction:						
Salaries of Teachers	35,227					4,500
Purchased Professional/Educational Services						
Tuition			10,000			
General Supplies				55,357		
Total Instruction	35,227		10,000	55,357		4,500
Support Services:						
Salaries of Other Professional Staff	17,966					
Personal Services - Employee Benefits		15,984			6,250	14,600
Purchased Professional and Technical Services				21,585		1,000
Supplies and Materials						
Scholarships Awarded						
Student Activities						
Total Support Services	17,966	15,984		21,585	6,250	15,600
Equipment:						
Instructional Equipment						
Total Equipment						
Total Expenditures	\$ 53,193	\$ 15,984	\$ 10,000	\$ 76,942	\$ 6,250	\$ 20,100

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

	ARP					
	IDEA Part B	Preschool	ESSER III	Accelerated Learning Coach and Educator Support	Evidence-Based Comprehensive Beyond the School Day	NJTSS Mental Health Support Staffing
REVENUE:						
Local Sources						
Federal Sources	\$ 154,334	\$ 8,554	\$ 155,605	\$ 28,685	\$ 15,516	\$ 28,600
State Sources						
Total Revenue	154,334	8,554	155,605	28,685	15,516	28,600
EXPENDITURES:						
Instruction:						
Salaries of Teachers			18,238		15,516	
Purchased Professional/Educational Services				13,018		
Tuition	154,334					
General Supplies			113,980			
Total Instruction	154,334		132,218	13,018	15,516	
Support Services:						
Salaries of Other Professional Staff				1,135		
Personal Services - Employee Benefits						
Purchased Professional and Technical Services		8,554	2,450	14,532		28,600
Supplies and Materials						
Scholarships Awarded						
Student Activities						
Total Support Services		8,554	2,450	15,667		28,600
Equipment:						
Instructional Equipment			20,937			
Total Equipment			20,937			
Total Expenditures	\$ 154,334	\$ 8,554	\$ 155,605	\$ 28,685	\$ 15,516	\$ 28,600

MOUNTAINSIDE SCHOOL DISTRICT
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Climate Awareness Education Grant	Student Activities Fund	Scholarship Fund	Local Donations	Totals
REVENUE:					
Local Sources	\$ 168,230	\$ 6,753	\$ 25,216		\$ 200,199
Federal Sources					573,763
State Sources	6,660				6,660
Total Revenue	6,660	168,230	6,753	25,216	780,622
EXPENDITURES:					
Instruction:					
Salaries of Teachers					73,481
Purchased Professional/Educational Services					13,018
Tuition					154,334
General Supplies	6,660		19,504		205,501
Total Instruction	6,660		19,504		446,334
Support Services:					
Salaries of Other Professional Staff					1,135
Personal Services - Employee Benefits					17,966
Purchased Professional and Technical Services				5,712	90,970
Supplies and Materials			775		28,297
Scholarships Awarded					775
Student Activities		165,465			165,465
Total Support Services		165,465	775	5,712	304,608
Equipment:					
Instructional Equipment					20,937
Total Equipment					20,937
Total Expenditures	6,660	\$ 165,465	\$ 775	\$ 25,216	\$ 771,879

CAPITAL PROJECTS FUND

MOUNTAINSIDE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Fund Balance - Beginning of Year	<u>\$ 16,055</u>
Fund Balance - End of Year	<u><u>\$ 16,055</u></u>

MOUNTAINSIDE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
PRELIMINARY PRE-REFERENDUM COST IMPROVEMENTS TO DISTRICT SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Prior Periods	Current Year	Totals	Final Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 54,500		\$ 54,500	\$ 54,500
Total Revenue and Other Financing Sources	54,500		54,500	54,500
Expenditures:				
Purchase Professional and Technical Services	25,051		25,051	34,500
Other Administrative Services	13,667		13,667	20,000
Total Expenditures	38,718		38,718	54,500
Excess/(Deficit) of Revenue and Other Financing Sources Over Expenditures	\$ 15,782	\$ - 0 -	\$ 15,782	\$ - 0 -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 54,500
Revised Authorized Cost	\$ 54,500
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	3/14/2014
Revised Target Completion Date	Completed

MOUNTAINSIDE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
REPAIRS, RENOVATIONS & IMPROVEMENTS TO DISTRICT SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Final Project Authorization</u>
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 19,484,000		\$ 19,484,000	\$ 19,484,000
Total Revenue and Other Financing Sources	19,484,000		19,484,000	19,484,000
Expenditures:				
Architect Services	1,839,229		1,839,229	1,839,229
Legal Services	98,134		98,134	98,134
Other Administrative Services	147,568		147,568	147,568
Construction Services	17,398,796		17,398,796	17,398,796
Total Expenditures	19,483,727		19,483,727	19,483,727
Excess/(Deficit) of Revenue and Other Financing Sources Over Expenditures	\$ 273	\$ - 0 -	\$ 273	\$ 273

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	3/14/2014
Bonds Authorized	\$ 19,484,000
Original Authorized Cost	\$ 19,484,000
Revised Authorized Cost	\$ 19,484,000
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	
Revised Target Completion Date	Completed

PROPRIETARY FUNDS

MOUNTAINSIDE SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 267,998
Inventories	7,629
	7,629

Total Current Assets

275,627

Non-Current Assets:

Capital Assets	130,627
Less: Accumulated Depreciation	(87,268)
	43,359

Total Non-Current Assets

43,359

Total Assets

318,986

LIABILITIES:

Current Liabilities:

Accounts Payable	16,401
Unearned Revenue - Prepaid Sales	8,840
Unearned Revenue - Donated Commodities	2,922
Unearned Revenue - Supply Chain Assistance	27,428
	55,591

Total Current Liabilities

55,591

NET POSITION:

Investment in Capital Assets	43,359
Unrestricted	220,036
	263,395

Total Net Position

\$ 263,395

MOUNTAINSIDE SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 159,334
Daily Sales - Non-Reimbursable Programs	99,155
	<hr/>
Total Operating Revenue	258,489
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	102,884
Cost of Sales - Nonreimbursable Programs	29,019
Salaries, Benefits & Payroll Taxes	106,731
Supplies, Insurance & Other Costs	17,166
Management Fee	10,012
Depreciation Expense	3,715
	<hr/>
Total Operating Expenses	269,527
	<hr/>
Operating Loss	(11,038)
	<hr/>
Non-Operating Income:	
Local Sources:	
Interest Income	7,489
State Sources:	
State School Lunch Program	2,394
Federal Sources:	
Supply Chain Assistance Funding	20,015
National School Lunch Program	36,822
Food Distribution Program	16,479
	<hr/>
Total Non-Operating Income	83,199
	<hr/>
Change in Net Position	72,161
	<hr/>
Net Position - Beginning of Year (Restated)	191,234
	<hr/>
Net Position - End of Year	\$ 263,395
	<hr/> <hr/>

MOUNTAINSIDE SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 258,489
Payments to Food Service Contractor	(246,635)
	<hr/>
Net Cash Provided by Operating Activities	11,854
	<hr/>
Cash Flows from Investing Activities:	
Local Sources:	
Interest Income	7,489
	<hr/>
Net Cash Provided by Investing Activities	7,489
	<hr/>
Cash Flows from Noncapital Financing Activities:	
State Sources - Received in Food Service Fund	2,951
Federal Sources Received in Food Service Fund	108,469
	<hr/>
Net Cash Provided by Noncapital Financing Activities	111,420
	<hr/>
Net Increase in Cash and Cash Equivalents	130,763
Cash and Cash Equivalents, July 1	137,235
	<hr/>
Cash and Cash Equivalents, June 30	\$ 267,998
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	\$ (11,038)
Adjustment to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	3,715
Food Distribution Program	16,479
Changes in Assets and Liabilities:	
(Increase) in Inventories	(3,036)
Increase in Unearned Revenue	2,983
Increase in Accounts Payable	2,751
	<hr/>
Net Cash Provided by Operating Activities	\$ 11,854
	<hr/> <hr/>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$18,119 and utilized U.S.D.A. Commodities valued at \$16,479.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

MOUNTAINSIDE SCHOOL DISTRICT
LONG-TERM LIABILITIES
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2022	Retired or Matured	Balance June 30, 2023
			Date	Amount				
Refunding School Bonds, Series 2011	02/24/11	\$ 3,130,000				\$ 300,000	\$ 300,000	
School Bonds, Series 2014	07/17/14	19,484,000	08/15/23	\$ 895,000	3.00%	1,765,000	870,000	\$ 895,000
Refunding School Bonds, Series 2021		13,075,000	08/15/23	115,000	0.797%			
			08/15/24	1,035,000	1.122%			
			08/15/25	1,045,000	1.404%			
			08/15/26	1,065,000	1.614%			
			08/15/27	1,095,000	1.793%			
			08/15/28	1,115,000	1.973%			
			08/15/29	1,145,000	2.053%			
			08/15/30	1,175,000	2.163%			
			08/15/31	1,205,000	2.283%			
			08/15/32	1,240,000	2.433%			
		08/15/33	1,275,000	2.533%				
		08/15/34	1,310,000	2.633%				
						12,935,000	115,000	12,820,000
						<u>\$ 15,000,000</u>	<u>\$ 1,285,000</u>	<u>\$ 13,715,000</u>

MOUNTAINSIDE SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

Series	Interest Rate	Original Issue	Balance July 1, 2022	Retired or Matured	Balance June 30, 2023
Student Chromebooks	3.15%	\$ 37,137	\$ 22,283	\$ 7,905	\$ 14,378
Student Tablets	2.75%	9,362	5,618	1,978	3,640
Teacher Tablets	2.85%	111,892	67,134	23,679	43,455
			<u>\$ 95,035</u>	<u>\$ 33,562</u>	<u>\$ 61,473</u>

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUE:				
Local Sources:				
Local Tax Levy	\$ 1,142,530	\$ 1,142,530	\$ 1,142,530	
State Sources:				
Debt Service State Aid Support	448,072	448,072	448,072	
Total Revenue	<u>1,590,602</u>	<u>1,590,602</u>	<u>1,590,602</u>	
EXPENDITURES:				
Regular Debt Service:				
Interest	305,602	305,602	305,602	
Redemption of Principal	1,285,000	1,285,000	1,285,000	
Total Regular Debt Service	<u>1,590,602</u>	<u>1,590,602</u>	<u>1,590,602</u>	
Total Expenditures	<u>1,590,602</u>	<u>1,590,602</u>	<u>1,590,602</u>	
Other Financing Sources:				
Cancellation of Prior Year Accounts Payable			807	\$ 807
Total Other Financing Sources			<u>807</u>	<u>807</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures			<u>807</u>	<u>807</u>
Fund Balance, July 1	<u>33,404</u>	<u>33,404</u>	<u>33,404</u>	
Fund Balance, June 30	<u>\$ 33,404</u>	<u>\$ 33,404</u>	<u>\$ 34,211</u>	<u>\$ 807</u>
<u>Recapitulation:</u>				
Restricted - For Subsequent Year's Expenditures			\$ 33,404	
Restricted			<u>807</u>	
Total Restricted Fund Balance			<u>\$ 34,211</u>	

STATISTICAL SECTION
(UNAUDITED)

This part of the District’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District’s overall financial health.

Contents

	<u>Exhibit</u>
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.

MOUNTAINSIDE SCHOOL DISTRICT
NET POSITION BY COMPONENT,
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities									(Restated)	
Net Investment in Capital Assets	\$ 5,639,355	\$ (7,565,354)	\$ (2,757,658)	\$ 3,022,572	\$ 7,167,658	\$ 7,542,000	\$ 8,459,986	\$ 8,643,393	\$ 11,018,173	\$ 10,814,998
Restricted	1,239,854	14,750,207	10,654,724	5,495,272	1,707,722	1,950,212	1,987,113	1,961,337	2,152,531	2,051,830
Unrestricted/(Deficit)	(3,257,039)	(3,998,001)	(3,706,696)	(3,928,497)	(3,416,998)	(2,306,496)	(2,893,817)	(2,526,221)	(2,053,098)	(1,536,969)
Total Governmental Activities Net Position	\$ 3,622,170	\$ 3,186,852	\$ 4,190,370	\$ 4,589,347	\$ 5,458,382	\$ 7,185,716	\$ 7,553,282	\$ 8,078,509	\$ 11,117,606	\$ 11,329,859
Business-Type Activities										
Net Investment in Capital Assets	\$ 28,457	\$ 22,369	\$ 16,281	\$ 10,193	\$ 4,105	\$ 18,059	\$ 18,662	\$ 25,469	\$ 47,074	\$ 43,359
Unrestricted	11,279	36,420	29,864	33,060	50,201	54,414	71,557	42,782	144,160	220,036
Total Business-Type Activities Net Position	\$ 39,736	\$ 58,789	\$ 46,145	\$ 43,253	\$ 54,306	\$ 72,473	\$ 90,219	\$ 68,251	\$ 191,234	\$ 263,395
District-Wide										
Net Investment in Capital Assets	\$ 5,667,812	\$ (7,542,985)	\$ (2,741,377)	\$ 3,032,765	\$ 7,171,763	\$ 7,560,059	\$ 8,478,648	\$ 8,668,862	\$ 11,065,247	\$ 10,858,357
Restricted	1,239,854	14,750,207	10,654,724	5,495,272	1,707,722	1,950,212	1,987,113	1,961,337	2,152,531	2,051,830
Unrestricted/(Deficit)	(3,245,760)	(3,961,581)	(3,676,832)	(3,895,437)	(3,366,797)	(2,252,082)	(2,822,260)	(2,483,439)	(1,908,938)	(1,316,933)
Total District Net Position	\$ 3,661,906	\$ 3,245,641	\$ 4,236,515	\$ 4,632,600	\$ 5,512,688	\$ 7,258,189	\$ 7,643,501	\$ 8,146,760	\$ 11,308,840	\$ 11,593,254

Source: Mountainside School District Financial Reports.

MOUNTAINSIDE 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	\$ 4,176,466	\$ 3,864,994	\$ 3,841,919	\$ 3,869,637	\$ 3,901,424	\$ 4,189,376	\$ 6,493,063	\$ 7,470,134	\$ 6,908,317	\$ 8,001,757
Special Education	512,212	621,742	454,465	833,168	871,258	1,009,032	2,014,117	2,199,302	2,058,013	2,127,371
Other Special Instruction	79,347	80,558	84,298	105,098	438,104	478,946	828,223	724,725	720,984	571,828
School Sponsored/Other Instruction										181,175
Support Services:										
Tuition	4,957,770	5,882,562	5,822,983	6,479,704	6,042,250	5,443,120	6,434,452	6,621,378	6,605,031	6,812,308
Student & Instruction Related Services	1,207,204	1,246,282	1,233,119	1,161,265	1,232,650	1,288,926	1,873,868	1,961,551	1,830,396	2,216,388
General Administrative Services	563,869	548,945	513,930	501,208	537,786	615,653	181,011	1,014,877	986,008	243,873
School Administrative Services	369,922	375,607	373,708	389,048	383,891	410,515	751,255	872,034	743,755	663,363
Central Services										283,095
Plant Operations And Maintenance	993,435	978,127	898,776	933,888	932,895	914,446	1,401,990	1,689,257	1,864,803	1,294,856
Pupil Transportation	659,510	518,252	612,067	706,245	671,609	615,923	710,107	668,880	945,809	1,335,205
Capital Outlay										21,469
Interest On Long-Term Debt	150,620	719,079	723,447	692,338	655,311	613,730	556,778	520,755	313,425	324,672
Unallocated Depreciation	69,655	75,342	75,242	140,902	303,066	314,566				48,591
Total Governmental Activities Expenses	13,740,010	14,911,490	14,633,954	15,812,501	15,970,244	15,894,233	21,244,864	23,742,893	22,976,541	24,125,950
Business-type activities:										
Food Service	173,362	164,707	209,319	193,533	180,088	196,258	155,651	376,679	274,572	269,527
Total Business-Type Activities Expense	173,362	164,707	209,319	193,533	180,088	196,258	155,651	376,679	274,572	269,527
Total District Expenses	\$ 13,913,372	\$ 15,076,197	\$ 14,843,273	\$ 16,006,034	\$ 16,150,332	\$ 16,090,491	\$ 21,400,515	\$ 24,119,572	\$ 23,251,113	\$ 24,395,477

MOUNTAINSIDE 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
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 4,957,770	\$ 5,882,562	\$ 5,822,963	\$ 6,479,704	\$ 6,042,250	\$ 5,443,120	\$ 6,434,452	\$ 6,621,378	\$ 6,605,031	\$ 272,876
Student & Instruction Related Services								53,080	110,848	\$ 272,876
Operating Grants and Contributions	1,738,329	1,951,390	2,134,260	5,752,435	6,310,226	3,840,201	356,951	524,906	526,701	4,325,363
Capital Grants and Contributions			561,150	458,569	455,892	454,736				
Total Governmental Activities Program Revenues	6,696,099	7,833,952	8,518,373	12,690,708	12,808,368	9,738,057	6,791,403	7,199,364	7,242,580	4,598,239
Business-Type Activities:										
Charges for Services:										
Food Service	137,334	154,216	167,168	161,466	164,180	183,910	143,125	168,508	62,843	258,489
Operating Grants and Contributions	30,132	29,459	29,359	28,811	25,346	28,772	28,868	186,141	306,061	75,710
Total Business Type Activities Program Revenues	167,466	183,675	196,527	190,277	189,526	212,682	171,993	354,649	368,904	334,199
Total District Program Revenues	\$ 6,863,565	\$ 8,017,627	\$ 8,714,900	\$ 12,880,985	\$ 12,997,894	\$ 9,950,739	\$ 6,963,396	\$ 7,554,013	\$ 7,611,484	\$ 4,932,438
Net (Expense)/Revenue:										
Governmental Activities	\$ (7,043,911)	\$ (7,077,538)	\$ (6,115,581)	\$ (3,121,793)	\$ (3,161,876)	\$ (6,156,176)	\$ (14,453,461)	\$ (16,543,529)	\$ (15,733,961)	\$ (19,527,711)
Business-Type Activities	(5,896)	18,968	(12,792)	(3,256)	9,438	16,424	16,342	(22,030)	94,332	64,672
Total District-Wide Net (Expense)/Revenue	\$ (7,049,807)	\$ (7,058,570)	\$ (6,128,373)	\$ (3,125,049)	\$ (3,152,438)	\$ (6,139,752)	\$ (14,437,119)	\$ (16,565,559)	\$ (15,639,629)	\$ (19,463,039)

MOUNTAINSIDE 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
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 14,215,815	\$ 14,457,484	\$ 15,108,033	\$ 15,410,193	\$ 15,718,396	\$ 16,032,764	\$ 16,353,419	\$ 16,778,899	\$ 17,261,649	\$ 17,640,483
Taxes Levied for Debt Service	270,000	649,800	897,219	1,258,365	1,237,201	1,237,201	1,233,439	1,215,916	1,192,928	1,142,530
Unrestricted Grants and Contributions										506,063
Investment Earnings										23,389
Miscellaneous Income	124,032	151,567	170,468	205,316	313,917	354,592	257,870	191,224	207,618	426,692
Other Item - Cancellation of Prior Year Accounts Payable										807
Total Governmental Activities	14,609,847	15,258,851	16,175,720	4,523,374	17,269,514	17,624,557	17,844,728	18,186,039	18,662,195	19,739,964
Business-Type Activities:										
Investment Earnings	43	85	149	364	1,615	1,773	1,404	63		7,489
Total Business-Type Activities	43	85	149	(579)	1,615	1,773	1,404	63		7,489
Total District-Wide General Revenues and Other Changes in Net Position	\$ 14,609,890	\$ 15,258,936	\$ 16,175,869	\$ 4,522,795	\$ 17,271,129	\$ 17,626,330	\$ 17,846,132	\$ 18,186,102	\$ 18,662,195	\$ 19,747,453
Change in Net Position:										
Governmental Activities	\$ 198,794	\$ (435,318)	\$ 1,003,518	\$ 1,681,102	\$ 2,334,553	\$ 1,727,333	\$ 124,460	\$ 525,227	\$ 951,727	\$ 212,253
Business-Type Activities	(5,853)	19,053	(12,643)	7,482	11,053	18,197	17,746	(21,967)	94,332	72,161
Total District	\$ 192,941	\$ (416,265)	\$ 990,875	\$ (62,267)	\$ 2,345,606	\$ 1,745,530	\$ 142,206	\$ 503,260	\$ 1,046,059	\$ 284,414

Source: Mountainside School District Financial Reports.

MOUNTAINSIDE SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 1,758,329	\$ 2,471,677	\$ 2,954,975	\$ 2,567,564	\$ 2,644,430	\$ 3,223,740	\$ 2,974,982	\$ 3,121,410	\$ 4,314,078	\$ 1,798,371
Assigned	191,621	427,209	168,030	314,104	342,475	318,382	533,226	287,445	237,459	9,043
Unassigned	535,244	246,366	440,582	488,567	538,780	507,526	533,321	885,486	888,643	302,648
Total General Fund	\$ 2,485,194	\$ 3,145,252	\$ 3,563,587	\$ 3,370,235	\$ 3,525,685	\$ 4,049,648	\$ 4,041,529	\$ 4,294,341	\$ 5,440,180	\$ 2,110,062
All Other Governmental Funds										
Restricted	\$ 336,800	\$ 32,500	\$ 23,722	\$ 5,428,167	\$ 2,120,766	\$ 903,190	\$ 706,470	\$ 724,805	\$ 459,466	\$ 269,241
Committed										
Total All Other Governmental Funds	\$ 336,800	\$ 32,500	\$ 23,722	\$ 5,428,167	\$ 2,120,766	\$ 903,190	\$ 706,470	\$ 724,805	\$ 459,466	\$ 269,241
Total Governmental Funds:										
Restricted	\$ 1,758,329	\$ 2,471,677	\$ 2,954,975	\$ 7,995,731	\$ 4,765,196	\$ 4,126,930	\$ 3,681,452	\$ 3,846,215	\$ 4,773,544	\$ 2,067,612
Committed	336,800	32,500	23,722							
Assigned	191,621	427,209	168,030	314,104	342,475	318,382	533,226	287,445	237,459	9,043
Unassigned	535,244	246,366	440,582	488,567	538,780	507,526	533,321	885,486	888,643	302,648
Total Governmental Funds	\$ 2,821,994	\$ 3,177,752	\$ 3,587,309	\$ 8,798,402	\$ 5,646,451	\$ 4,952,838	\$ 4,747,999	\$ 5,019,146	\$ 5,899,646	\$ 2,379,303

Source: Mountainside School District Financial Reports.

MOUNTAINSIDE 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	\$ 14,485,815	\$ 15,107,284	\$ 16,005,251	\$ 16,668,558	\$ 16,955,597	\$ 17,269,965	\$ 17,586,858	\$ 17,994,815	\$ 18,454,577	\$ 18,783,013
Tuition Charges										65,600
Transportation Fees from Individuals										41,036
Interest Earned on Capital Reserve Funds										17,233
Interest Earned on Maintenance Reserve Funds										6,156
Miscellaneous	212,943	225,416	281,236	205,316	380,746	393,173	363,250	300,111	347,162	426,692
State Sources	1,455,825	1,639,892	2,360,201	2,406,787	2,776,007	3,180,874	3,236,806	3,925,046	4,785,061	5,159,654
Federal Sources	199,364	262,221	251,601	244,513	258,387	256,807	251,572	469,147	491,030	597,996
Total Revenue	16,353,947	17,234,813	18,898,289	19,525,174	20,370,737	21,100,819	21,438,486	22,689,119	24,077,830	25,097,380
Expenditures:										
Instruction:										
Regular Instruction	3,809,020	3,750,450	3,763,412	3,672,337	3,481,333	3,755,028	3,708,801	3,777,687	4,011,055	4,651,552
Special Education Instruction	512,212	621,742	754,465	833,168	803,845	948,032	1,083,025	988,495	1,059,118	1,270,774
School Sponsored/Other Instruction	79,347	80,558	84,298	105,096	438,104	478,946	464,384	366,408	420,667	446,187
Support Services:										
Tuition	4,845,770	5,124,050	5,963,932	6,597,553	6,324,090	5,487,680	5,928,393	6,101,526	6,079,644	6,812,308
Student & Instruction Related Services	1,091,929	1,069,329	1,043,988	1,045,153	1,141,928	1,222,482	1,377,975	1,359,999	1,356,866	1,618,864
General And Business Administrative Services	316,262	318,300	293,612	267,800	214,018	285,889	230,059	265,676	289,514	231,312
School Administrative Services	378,574	379,177	379,254	383,374	388,105	410,515	379,281	393,893	385,995	395,845
Central Services	204,259	195,052	190,926	169,592	194,356	219,767	215,088	241,430	252,038	235,257
Plant Operations And Maintenance	980,235	978,127	897,763	927,987	932,895	914,446	970,422	1,032,617	1,043,420	1,075,547
Pupil Transportation	659,510	618,252	612,067	706,245	671,609	615,923	670,809	632,709	896,283	1,335,206
Allocated and Unallocated Benefits	1,634,324	1,680,014	1,708,095	1,773,523	1,906,104	2,092,758	2,405,471	2,564,941	2,718,996	5,913,190
On-Behalf TPAF Pension Contributions	460,465	646,935	809,032	910,709	1,213,557	1,330,386	1,409,352	1,945,723	2,633,958	
Reimb. TPAF Social Sec. Contributions	335,760	330,821	337,382	338,531	350,690	371,357	390,848	397,635	423,268	
Debt Service:										
Principal	120,000	471,072	714,369	681,934	646,821	609,921	1,115,000	1,135,000	1,290,000	1,285,000
Interest And Other Charges	250,000	260,000	944,000	1,035,000	1,065,000	1,095,000	571,815	532,728	443,331	305,602
Special Revenue:										
Federal	199,364	262,221	274,067	244,513	258,387	256,807	251,572	469,147	491,030	
State									6,975	
Other	88,911	73,849	88,302	37,719	66,829	38,581	105,379	89,491	134,285	
Capital Outlay	24,368	6,413,031	4,106,828	5,161,612	3,944,826	154,297	677,094	91,228	29,508	95,821
Total Expenditures	15,990,310	23,272,980	22,965,792	24,891,846	24,042,497	20,287,815	21,954,768	22,386,333	23,965,951	25,672,465
Excess/(Deficiency) Of Revenues										
Over/(Under) Expenditures	363,636	(6,038,167)	(4,067,503)	(5,366,672)	(3,671,760)	813,004	(516,282)	302,786	111,879	(575,085)

MOUNTAINSIDE 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
Other Financing Sources (Uses)										
Financed Purchases (Non-Budgeted)		\$ 94,816							\$ 13,075,000	
Bond Proceeds		19,484,000							(12,954,044)	\$ 807
Payment to Refunded Bond Escrow Agent	\$ 154,500	137,766	\$ 227,674	\$ 15,051	\$ 3,203	\$ 12,984				
Cancellation of Prior Year Accounts Payable	(154,500)	(137,766)	(227,674)	(15,051)	(3,203)	(12,984)				
Transfers In										
Transfers Out										
Total Other Financing Sources (Uses)		19,578,816							120,956	807
Special Item:										
Cost Recovery from Cap. Projects				83,402						
Net Change in Fund Balances	\$ 363,636	\$ 13,540,649	\$ (4,067,503)	\$ (5,283,269)	\$ (3,671,760)	\$ 813,004	\$ (516,282)	\$ 302,786	\$ 232,835	\$ (574,278)
Debt Service As A Percentage Of Noncapital Expenditures	2.32%	4.34%	8.79%	8.70%	8.52%	8.47%	7.93%	7.48%	7.24%	6.22%

Source: Mountainside School District Financial Reports.

MOUNTAINSIDE SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Prior Year Refunds	Other	Total
2014	\$ 4,472	\$ 13,860	\$ 2,002	\$ 103,698	\$ 124,032
2015			203	113,599	113,801
2016		9,284	211	133,300	142,795
2017		45,300	3,045	104,202	152,546
2018		122,580		188,134	310,714
2019	34,638	111,660		208,295	354,592
2020	66,353	119,180		72,337	257,870
2021	3,255	39,950		148,067	191,272
2022	4,447	49,400		150,963	204,810
2023	157,109	65,600		113,246	335,955

Source: Mountainside School District Financial Records.

MOUNTAINSIDE SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2013	\$ 6,063,300	\$ 397,192,500	\$ 55,014,700	\$ 24,350,100	\$ 482,620,600	\$ 135,801,800	\$ 532,537	\$ 483,153,137	\$ 2.971	\$ 1,668,235,741
2014	6,544,200	396,026,600	50,599,200	24,035,600	477,205,600	135,633,800	439,269	477,644,869	3.060	1,707,183,189
2015	6,288,700	396,707,500	50,332,400	24,035,600	477,364,200	135,850,600	431,147	477,795,347	3.366	1,750,299,915
2016	5,975,400	398,232,000	50,183,500	23,611,700	478,002,600	136,045,200	424,058	478,426,658	3.409	1,765,280,237
2017	5,948,000	398,178,000	50,009,200	23,626,700	477,761,900	136,045,200	418,462	478,180,362	3.516	1,776,961,583
2018	5,237,000	399,186,700	49,585,000	23,975,800	477,984,500	136,045,200	412,860	478,397,360	3.579	1,793,093,553
2019	4,253,400	403,879,600	51,511,600	23,369,200	483,013,800	135,766,100	417,565	483,431,365	3.605	1,812,635,017
2020	4,590,700	406,006,100	54,832,200	22,834,200	488,263,200	133,938,700	425,161	488,688,361	3.639	1,882,704,267
2021	* 18,239,200	1,539,177,200	219,953,500	113,487,400	1,890,857,300	568,598,500	1,573,487	1,892,430,787	0.963	2,019,875,654
2022	18,627,300	1,544,441,500	216,595,800	112,842,600	1,892,507,200	568,127,500	1,473,696	1,893,980,896	0.987	2,161,870,043

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 \$100 per assessed valuation.

Source: Municipal Tax Assessors.

MOUNTAINSIDE SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Year Ended December 31,	Mountainside School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Direct Rate			Municipality	Union County	
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct			
2013	\$ 2.915	0.056	\$ 2.971	\$ 1.748	\$ 1.724	\$ 6.443
2014	3.003	0.057	3.060	1.838	1.838	6.736
2015	3.221	0.145	3.366	1.890	1.908	7.164
2016	3.218	0.191	3.409	1.909	1.985	7.303
2017	3.251	0.265	3.516	1.947	2.010	7.473
2018	3.322	0.256	3.579	1.960	1.991	7.530
2019	3.347	0.258	3.605	1.969	1.939	7.513
2020	3.390	0.249	3.639	1.976	1.859	7.474
2021	* 0.898 *	0.065 *	0.963 *	0.512 *	0.489 *	1.964
2022	0.922	0.065	0.987	0.523	0.487	1.997

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

- a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and Net Valuation Taxable.
- b Rates for debt service are based on each year's requirements.

* Revaluation became effective in this year.

Source: Municipal Tax Collector and School Business Administrator

MOUNTAINSIDE SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2022		2013			
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
SHP VI Mountainside LLC		\$ 24,967,400	5.11%			
Prime Care One LLC		21,558,200	4.41%			
Alpine at Mountainside LLC		12,747,700	2.61%			
1180 Route 22 NJ Owner LLC		11,705,700	2.40%			
Bear Mountainside Realty		10,992,000	2.25%			
253 Sheffield, Inc.		10,290,000	2.11%			
FYL Real Estate LLC		9,610,000	1.97%			
SH727 LLC		9,197,300	1.88%			
Trepfill LOSB Sheffield LLC		8,756,500	1.79%			
Safeguard Mountainside LP		8,750,000	1.79%			
						N/A Not Available
Total		\$ 128,574,800	26.31%			

Source: Municipal Tax Assessor

MOUNTAINSIDE 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	\$ 14,485,815	\$ 14,485,815	100.00%	\$ - 0 -
2015	15,107,284	15,107,284	100.00%	- 0 -
2016	16,005,251	16,005,251	100.00%	- 0 -
2017	16,668,558	16,668,558	100.00%	- 0 -
2018	16,955,597	16,955,597	100.00%	- 0 -
2019	17,269,965	17,269,965	100.00%	- 0 -
2020	17,586,858	17,586,858	100.00%	- 0 -
2021	17,994,815	17,994,815	100.00%	- 0 -
2022	18,454,577	18,454,577	100.00%	- 0 -
2023	18,783,013	18,783,013	100.00%	- 0 -

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

Source: Mountainside School District records including the Certificate and Report of School Taxes (A4F Form)

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	Obligation Bonds	Financed Purchases			
2014	\$ 2,620,000		\$ 2,620,000	0.65%	\$ 387
2015	21,844,000	\$ 83,300	21,927,300	5.27%	3,231
2016	20,900,000	65,407	20,965,407	4.91%	3,072
2017	19,865,000	46,742	19,911,742	4.48%	2,911
2018	18,800,000	27,272	18,827,272	4.07%	2,742
2019	17,705,000	6,963	17,711,963	3.73%	2,571
2020	16,590,000		16,590,000	3.33%	2,413
2021	15,455,000	126,713	15,581,713	2.88%	2,222
2022	15,000,000	95,035	15,095,035	2.82%	2,170
2023	13,715,000	61,473	13,776,473	2.57%	1,980

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

^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.

MOUNTAINSIDE 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 Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 2,620,000	\$ - 0 -	\$ 2,620,000	0.55%	\$ 383
2015	21,844,000	- 0 -	21,844,000	4.57%	3,190
2016	20,900,000	- 0 -	20,900,000	4.37%	3,063
2017	19,865,000	- 0 -	19,865,000	4.15%	2,904
2018	18,800,000	- 0 -	18,800,000	3.93%	2,738
2019	17,705,000	- 0 -	17,705,000	3.66%	2,579
2020	16,590,000	- 0 -	16,590,000	3.39%	2,409
2021	15,455,000	- 0 -	15,455,000	0.82%	2,248
2022	15,000,000	- 0 -	15,000,000	0.79%	2,182
2023	13,715,000	- 0 -	13,715,000	0.72%	1,971

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

^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.

Source: Mountainside School District Financial Reports.

MOUNTAINSIDE 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:			
Borough of Mountainside	\$ 5,854,787	100.00%	\$ 5,854,787
Union County General Obligation Debt	253,387,955	1.93% ^a	<u>4,887,563</u>
Subtotal, Overlapping Debt			10,742,350
Mountainside School District Direct Debt			<u>13,715,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 24,457,350</u></u>

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 that is borne by the residents and businesses of Mountainside Borough. 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.

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 Mountainside taxable equalized property values. Applicable percentages were estimated by determining the portion of Mountainside Borough's equalized property value that is within the Union County boundaries and dividing it by Union County's total equalized property value.

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

MOUNTAINSIDE SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 67,806,726	\$ 67,544,891	\$ 68,517,383	\$ 69,722,183	\$ 70,891,754	\$ 71,305,054	\$ 72,016,520	\$ 73,546,244	\$ 80,859,333	\$ 60,609,776
Total Net Debt Applicable to Limit	2,620,000	21,844,000	20,900,000	19,865,000	18,800,000	17,705,000	16,590,000	15,455,000	15,000,000	13,715,000
Legal Debt Margin	\$ 65,186,726	\$ 45,700,891	\$ 47,617,383	\$ 49,857,183	\$ 52,091,754	\$ 53,600,054	\$ 55,426,520	\$ 58,091,244	\$ 65,859,333	\$ 46,894,776
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	3.86%	32.34%	30.50%	28.49%	26.52%	24.83%	23.04%	21.01%	18.55%	22.63%

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis			Mountainside
	2022	2021	2020	Borough
Average Equalized Valuation of Taxable Property				\$2,160,396,347
Debt Limit (3% of average equalization value) ^a				\$ 60,609,776
Net Bonded School Debt as of June 30, 2023				13,715,000
Legal Debt Margin				\$ 46,894,776

a Limit set by NISA 18A:24-19 for a K through 8 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.

MOUNTAINSIDE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Personal Income ^b	Union County Per Capita Personal Income ^c	Unemployment Rate ^d
2014	6,776	\$ 401,342,480	\$ 59,230	4.50%
2015	6,786	415,778,220	61,270	3.50%
2016	6,824	426,677,424	62,526	3.50%
2017	6,841	444,911,276	65,036	3.40%
2018	6,866	462,397,636	67,346	2.90%
2019	6,888	474,355,896	68,867	2.40%
2020	6,876	498,805,668	72,543	6.60%
2021	7,014	540,127,098	77,007	6.60%
2022	6,957	535,737,699 *	77,007 **	6.60%
2023	6,957 *	535,737,699 *	77,007 **	N/A

* - Latest population data available (2022) was used for calculation purposes.

** - Latest Union County per capita personal income available (2021) was used for calculation purposes.

N/A - Not Available

^a Population information provided by the NJ Dept of Labor and Workforce Development.

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development.

Source: Mountainside School District Reports.

MOUNTAINSIDE SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - UNION COUNTY
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

COUNTY OF UNION

	2023		2014		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
APM Terminals Elizabeth, LLC		2,343	Trinitas Hospital	1,674	1.86%
Trinitas Hospital		1,823	Maher Terminals	945	1.05%
Maher Terminals, LLC		1,312	Actavis	602	0.67%
Wakefern Food Corporation		968	Wakefern Food Corporation	563	0.63%
Allied Beverage Group LLC		947	AFI Food Services	536	0.60%
Amazon, Corn Services, Inc.		577	Olympia Trail Bus Co.	442	0.49%
Fedway Associates, Inc.		487	New England Motor Freight	358	0.40%
AFI Food Service		439	Federal Express	300	0.33%
Actavis		265	Duro Bag Company	240	0.27%
Atlanta Food Corporation		230	Altanta	191	0.21%
Total		9,391		5,851	6.50%
Total County Labor Force		137,500		90,000	

* - Employment data provided by the NJ Department of Labor and Workforce Development

Source: Union County Treasurer's Office.

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

<u>Function/Program</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction:										
Regular	58.0	58.7	61.0	61.0	61.0	62.1	68.8	71.0	68.7	63.1
Special Education	6.5	7.0	9.8	12.0	11.0	11.0	12.0	17.0	8.1	22.4
Support Services:										
Student & Instruction Related Services	10.0	10.0	11.0	12.0	11.4	11.4	11.4	13.0	12.3	10.0
School Administration Services	5.5	4.6	4.6	4.6	4.6	4.6	4.6	4.0	5.0	4.7
General Administration Services	1.5	1.4	2.4	2.0	2.0	2.0	2.0	3.0	3.0	4.0
Other Administrative Services	2.7	2.7	2.7	2.5	4.0	4.0	4.9	4.0	4.0	2.0
Plant Operations and Maintenance	7.0	8.0	8.0	8.0	8.0	7.0	8.0	8.0	8.0	7.0
Total	91.2	92.4	99.5	102.1	102.0	102.1	111.7	120.0	109.1	113.1

Source: Mountainside School District Personnel Records.

MOUNTAINSIDE SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	747.0	15,586,593	\$ 20,866	4.88%	58.0	1:13	757.6	735.7	-2.62%	97.11%
2015	761.0	16,128,880	21,194	1.58%	58.7	1:13	741.3	712.6	-2.16%	96.13%
2016	734.0	17,200,596	23,434	10.57%	61.0	1:12	729.2	701.5	-1.63%	96.20%
2017	718.0	18,013,300	25,088	7.06%	61.0	1:12	715.9	687.9	-1.82%	96.09%
2018	727.0	18,385,851	25,290	0.80%	61.0	1:12	724.9	696.5	1.25%	96.08%
2019	727.0	18,428,654	25,349	0.23%	62.1	1:12	729.0	698.1	0.57%	95.76%
2020	746.0	19,590,858	26,261	3.60%	68.8	1:11	764.9	726.9	4.92%	95.03%
2021	728.0	20,627,377	28,334	7.89%	71.0	1:11	725.3	707.1	-5.17%	97.49%
2022	729.0	22,203,112	30,457	7.49%	68.7	1:11	735.0	707.5	1.34%	96.26%
2023	736.0	23,986,042	32,590	7.00%	63.1	1:11	740.5	703.9	0.75%	95.06%

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d The cost per pupil calculated above is the sum of the operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

Source: Mountainside School District records.

MOUNTAINSIDE SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

<u>District Building</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Beechwood										
Square Feet	35,810	35,810	35,810	35,810	35,810	35,810	35,810	35,810	35,810	35,810
Capacity (students)	235	235	235	235	235	235	235	235	235	235
Enrollment	265	233	236	237	237	252	268	265	265	271
Deerfield										
Square Feet	83,258	83,258	83,258	83,258	83,258	83,258	83,258	83,258	83,258	83,258
Capacity (students)	546	546	546	546	546	546	546	546	546	546
Enrollment	505	528	498	481	490	475	478	463	463	465

Number of Schools at June 30, 2023
Elementary = 1
Middle School = 1

Note: Enrollment is based on the annual October district count.

Source: Mountainside School District Facilities Office.

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

Undistributed Expenditures:

Required Maintenance for School Facilities 11-000-261-XXX

<u>School Facilities</u>	<u>Projects #</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Deerfield School	N/A	\$ 79,104	\$ 165,072	\$ 133,819	\$ 144,601	\$ 122,543
Beechwood School	N/A	29,990	65,324	54,217	68,857	58,354
		<u>\$ 109,094</u>	<u>\$ 230,396</u>	<u>\$ 188,036</u>	<u>\$ 213,458</u>	<u>\$ 180,897</u>

<u>School Facilities</u>	<u>Projects #</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Deerfield School	N/A	\$ 136,673	\$ 143,514	\$ 136,215	\$ 140,993	\$ 101,721
Beechwood School	N/A	52,264	60,659	549,986	63,882	81,254
		<u>\$ 188,937</u>	<u>\$ 204,173</u>	<u>\$ 686,201</u>	<u>\$ 267,397</u>	<u>\$ 182,975</u>

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

N/A - Not Applicable

Source: Mountainside School District records.

MOUNTAINSIDE SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

	Coverage	Deductible
School Package Policy - SAIF		
Property - Blanket Building and Contents	\$ 35,521,390	\$ 2,500
Electronic Data Processing	211,119	2,500
Comprehensive General Liability	10,000,000	
Comprehensive Personal and Advertising Injury	10,000,000	
Sexual Abuse - Per Occurrence/Member Aggregate	10,000,000	
Sexual Abuse - Fund Aggregate	28,500,000	
Comprehensive Medical Expense Limit - each person	10,000	
Comprehensive Automotive Liability	10,000,000	
Excess Liability (GL/AL)	10,000,000	
School District Layered Excess Liability - Allianz	25,000,000	
School Leaders Professional Liability - SAIF		
Limit of Liability	5,000,000	5,000
IEP Hearing Limit	100,000	5,000
Crisis Fund Sublimit - per member	25,000	
Excess Liability (SLPL) - each loss/each policy year	15,000,000	
Surety Bonds - Selective		
Interim Business Administrator	450,000	
Treasurer of School Monies	210,000	
Worker's Compensation - SAIF		
Bodily Injury by Accident- Each Accident	5,000,000	
Bodily Injury by Disease- Each Employee	5,000,000	
Bodily Injury by Disease- Aggregate	5,000,000	
Student Accident - Zurich		
Accident Medical - Students	1,000,000	
Accident Medical - Volunteers/Non-enrolled Campers	50,000	
Cyber Liability - SAIF		
Aggregate Per Scheduled Insured	2,000,000	10,000
Aggregate First Party Limit of Insurance	750,000	10,000
Cyber Extortion	750,000	10,000

Source: Mountainside School District records

SINGLE AUDIT SECTION



Mount Arlington, NJ
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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
Mountainside School District
County of Union, 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 "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mountainside School District (the "District"), in the County of Union 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 January 25, 2024.

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* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material 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.

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

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.

January 25, 2024
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant



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Report on Compliance For Each Major State Program;
Report on Internal Control Over Compliance Required by NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Mountainside School District
County of Union, New Jersey

Report on Compliance for Each Major State Program

We have audited the Mountainside School District's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2023. The District's major 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 state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major 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 state program. Our audit does not provide a legal determination of the district's compliance with the compliance requirements referred to above.

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

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.

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 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 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.

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

January 25, 2024
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell
Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

MOUNTAINSIDE 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	Award Amount	Balance at June 30, 2022			Balance at June 30, 2023		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amounts Paid to Subrecipients
U.S. Department of Education Passed-through State Department of Education:										
Special Revenue Fund:										
Elementary and Secondary Education Act:										
Title I	84.010A	ESEA-3470-23	7/1/22-9/30/23	\$ 53,193			\$ 28,182	\$ (53,193)	\$ (25,011)	
Title I	84.010A	ESEA-3470-22	7/1/21-9/30/22	62,686	\$ (62,686)		62,686			
Total Title I									(25,011)	
Title II, Part A	84.367A	ESEA-3470-23	7/1/22-9/30/23	16,234			90,868	(53,193)	(25,011)	
Title II, Part A	84.367A	ESEA-3470-22	7/1/21-9/30/22	17,993	(14,738)		9,559	(12,729)	(3,170)	
Total Title II, Part A					(14,738)		27,552	(15,984)	(3,170)	
Title IV, Part A	84.424	ESEA-3470-23	7/1/22-9/30/23	10,000			8,946	(10,000)	(1,054)	
Title IV, Part A	84.424	ESEA-3470-22	7/1/21-9/30/22	10,000	(10,000)		10,000			
Total Title IV, Part A					(10,000)		18,946	(10,000)	(1,054)	
Total Elementary and Secondary Education Act					(87,424)		137,366	(79,177)	(29,235)	
Education Stabilization Fund:										
COVID 19 - CRRSA:										
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	247,027			121,989	(76,942)	(50,362)	
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	25,000	(95,409)			(6,250)	(6,250)	
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(24,900)		24,900	(20,100)	(20,100)	
COVID 19 - ARP:										
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	555,178	(141,993)		140,945	(155,605)	(156,653)	
Learning Acceleration	84.425U	S425U210027	3/13/20-9/30/24	50,000				(28,685)	(28,685)	
Comprehensive Beyond School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(11,126)			(15,516)	(26,642)	
Mental Health	84.425U	S425U210027	3/13/20-9/30/24	45,000				(28,600)	(28,600)	
Total Education Stabilization Fund					(273,428)		287,834	(331,698)	(317,292)	
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	IDEA-3470-23	7/1/22-9/30/23	154,334			132,798	(154,334)	(21,536)	
I.D.E.A. Part B, Basic	84.027	IDEA-3470-22	7/1/21-9/30/22	148,886	(148,886)		148,886			
COVID 19 - I.D.E.A. Part B, Basic ARP	84.027X	IDEA-3470-22	7/1/21-9/30/23	30,637	(30,637)		30,637			
I.D.E.A. Part B, Preschool	84.173	IDEA-3470-23	7/1/22-9/30/23	8,554				(8,554)	(8,554)	
I.D.E.A. Part B, Preschool	84.173	IDEA-3470-22	7/1/21-9/30/22	7,871	(7,871)		7,871			
COVID 19 - I.D.E.A. Part B, Preschool ARP	84.173X	IDEA-3470-22	7/1/21-9/30/23	2,617	(2,617)		2,617			
Total Special Education Cluster					(190,011)		322,809	(162,888)	(30,090)	
Total U.S. Department of Education					(550,863)		748,009	(573,763)	(376,617)	

MOUNTAINSIDE 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	U.S. Department of Agriculture: Passed-through State Department of Agriculture: Child Nutrition Cluster: Food Distribution Program Food Distribution Program	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Balance at June 30, 2023			
						Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amounts Paid to Subrecipients
		10.555	N/A	7/1/22-6/30/23	\$ 180,199			\$ 18,199	\$ (15,277)		\$ 2,922	
		10.555	N/A	7/1/21-6/30/22	22,322			\$ 1,202	(1,202)			
	Total Food Distribution Program							18,199	(16,479)		2,922	
	National School Lunch Program	10.555	N/A	7/1/22-6/30/23	36,822			36,822	(36,822)			
	National School Lunch Program	10.555	N/A	7/1/21-6/30/22	276,516	(24,204)		24,204				
	Total National School Lunch Program					(24,204)		61,026	(36,822)			
	COVID 19 - Supply Chain Assistance							47,443	(20,015)		27,428	
	Total Child Nutrition Cluster	10.555	N/A	7/1/22-6/30/23	47,443	(24,204)		126,668	(73,316)		30,350	
	Total U.S. Department of Agriculture					(24,204)		126,668	(73,316)		30,350	
	Total Federal Awards					\$(575,067)		\$ 874,677	\$(647,079)		\$ 30,350	\$ - 0 -

N/A - Not Applicable

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

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Balance at June 30, 2023		MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	GAAP Accounts Receivable	Budgetary Unearned Revenue	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Education									
General Fund:									
Special Education Categorical Aid	22-495-034-5120-089	7/1/21 - 6/30/22	\$ 745,884	\$ (73,108)	\$ 73,108			\$ 745,884	
Security Aid	22-495-034-5120-084	7/1/21 - 6/30/22	19,731	(1,922)	1,922			19,731	
Transportation Aid	22-495-034-5120-014	7/1/21 - 6/30/22	307,722	(30,157)	30,157			307,722	
Additional Nonpublic Transportation Aid	22-495-034-5120-014	7/1/21 - 6/30/22	22,910	(22,910)	22,910			22,910	
Extraordinary Aid	22-100-034-5120-044	7/1/21 - 6/30/22	193,789	(193,789)	193,789			193,789	
Special Education Categorical Aid	23-495-034-5120-089	7/1/22 - 6/30/23	964,731		869,861	\$ (94,870)		964,731	
Security Aid	23-495-034-5120-084	7/1/22 - 6/30/23	19,731		17,791	(1,940)		19,731	
Transportation Aid	23-495-034-5120-014	7/1/22 - 6/30/23	307,722		277,461	(307,722)		307,722	
Additional Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22 - 6/30/23	25,896			(25,896)	\$ (25,896)	25,896	
Extraordinary Aid	23-100-034-5120-044	7/1/22 - 6/30/23	296,079			(296,079)	(296,079)	296,079	
Reimbursed TPAF Social Security Contributions	23-495-034-5120-003	7/1/22 - 6/30/23	415,423		395,303	(415,423)	(20,120)	415,423	
Securing Our Children's Future Bond Act	20E00486	7/1/20 - 6/30/23	38,594		38,594	(38,594)		38,594	
On-Behalf TPAF Post-Retirement Contribution	23-495-034-5094-001	7/1/22 - 6/30/23	553,105		553,105	(553,105)		553,105	
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22 - 6/30/23	2,076,670		2,076,670	(2,076,670)		2,076,670	
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22 - 6/30/23	28,811		28,811	(28,811)		28,811	
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22 - 6/30/23	1,287		1,287	(1,287)		1,287	
Total General Fund State Aid				(321,886)	4,580,769	(4,728,049)	(342,095)	(469,166)	6,018,085
Special Revenue Fund Aid:									
Climate Awareness Education Grant	23-100-010-5120-023	7/1/22-6/30/23	6,660		6,660	(6,660)		6,660	
Total									
Schools Development Authority:									
Special Revenue Fund:									
SDA Emergent and Capital Maintenance Needs Grant	N/A	7/1/21-6/30/23	16,524				\$ 9,549	\$ 9,549	6,975
Total Special Revenue Fund									6,975
Debt Service Fund:									
Debt Service Aid II	23-495-034-5120-017	7/1/22-6/30/23	448,072		448,072	(448,072)		448,072	448,072
Total Debt Service Fund									448,072

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Balance at June 30, 2023			MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	GAAP Accounts Receivable	Budgetary Unearned Revenue	Budgetary Accounts Receivable	Cumulative Total Expenditures	
New Jersey Department of Agriculture											
Enterprise Fund:											
State School Lunch Program	23-100-010-3350-023	7/1/22 - 6/30/23	\$ 2,394			\$ 2,394	\$ (2,394)				\$ 2,394
State School Lunch Program	22-100-010-3350-023	7/1/21 - 6/30/22	6,497	(557)		557					6,497
Total State School Lunch Program				(557)		2,951	(2,394)				8,891
Total Enterprise Fund				(557)		2,951	(2,394)				8,891
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT DETERMINATION				\$ (322,443)	\$ 9,549	\$ 5,038,452	\$ (5,185,175)	\$ (342,095)	\$ 9,549	\$ (469,166)	\$ 6,488,683

Less - State Awards Not Subject to Single Audit Major Program Determination:
On-Behalf TPAF Pension System Contributions:
Post-Retirement Medical 23-495-034-5094-001 7/1/22 - 6/30/23 \$ 553,105
Pension 23-495-034-5094-002 7/1/22 - 6/30/23 2,076,670
Non-Contributory Insurance 23-495-034-5094-004 7/1/22 - 6/30/23 28,811
Long-Term Disability Insurance 23-495-034-5094-004 7/1/22 - 6/30/23 1,287
Subtotal On-Behalf TPAF Pension System Contributions 2,659,873

TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION

\$ (2,525,302)

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

MOUNTAINSIDE 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 Mountainside 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 and Special Revenue Funds on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the General and Special Revenue Funds 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 except for the revenue recognition of the last two 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 last two state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. The Special Revenue Fund also does not recognize the June state aid payments in the current year.

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis is (\$21,884) for the General Fund and (\$45,553) for the Special Revenue Fund of which \$22,990 relates to federal and state 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.

MOUNTAINSIDE 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)

Revenue from federal and state awards are reported on the Board's basic financial statements on a GAAP basis as presented below:

	Federal	State	Total
General Fund		\$ 4,706,165	\$ 4,706,165
Special Revenue Fund	\$ 597,996	5,417	603,413
Debt Service Fund		448,072	448,072
Food Service Fund	73,316	2,394	75,710
Total Awards	\$ 671,312	\$ 5,162,048	\$ 5,833,360

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. FEDERAL AND STATE LOANS OUTSTANDING

Mountainside School District had no loan balances at June 30, 2023.

NOTE 7. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. 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.

MOUNTAINSIDE 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 as 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 state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by NJOMB 15-08*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The district was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2023 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The district's programs tested as major state programs for the current fiscal year consisted of the following state aid:

<u>Program Title</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
General Fund State Aid:				
Special Education Categorical Aid	23-495-034-5120-089	7/1/22 - 6/30/23	\$ 964,731	\$ 964,731
Security Aid	23-495-034-5120-084	7/1/22 - 6/30/23	19,731	19,731
Reimbursed TPAF Social				
Security Contribution	23-495-034-5120-003	7/1/22 - 6/30/23	415,423	415,423

- The threshold for distinguishing between Type A and Type B state programs was \$750,000.
- The District was not determined to be a "low-risk auditee" for state programs.

MOUNTAINSIDE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

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.

MOUNTAINSIDE 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.