

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
COUNTY OF BERGEN
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
COUNTY OF BERGEN
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
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December 5, 2023

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Township of Mahwah School District in the County of Bergen for the fiscal year ended June 30, 2023, and have issued our report thereon dated December 5, 2023.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents. This letter does not affect our report dated December 5, 2023, on the financial statements of the Board.

We will review the status of the comments, during our next audit engagement. We have already discussed any comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the suggestions.

This report is intended for the information of the Township of Mahwah School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's ACFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Philip H. Nisonoff, Ed.D.	Treasurer	\$ 350,000
Kyle J. Bleeker	School Business Administrator/Board Secretary	350,000

Finding 2023-001:

The required surety bond coverage for the Treasurer of School Monies was calculated to be \$354,000 for the fiscal year ended June 30, 2023. However, as the District has already increased the surety bond amount to meet the requirement for fiscal year 2023-24, no formal recommendation is judged to be warranted.

P.L. 2020, c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the District.

The District data certification was completed by the chief school administrator. The District Chapter 44 data was submitted timely.

The data certification date does not reflect a submission date later than 60 days after the end of the enrollment period.

Tuition Charges

The District did not have tuition charges for the current year and prior year.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid, on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account and Position Control Roster

The net salaries of employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and certified by the President of the Board and the School Business Administrator, and the Superintendent.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

The required certification (ECERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrators) to the NJ Department of Treasury was filed in a timely manner.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, 2023 for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures – General and Administrative

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classifications.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

Finding 2023-002:

During our review of the Board Secretary's records, it was noted that there were certain transactions including state aid deductions and payroll transfers which were not posted correctly in the accounting records which resulted in reconciling items on the bank reconciliations for the General Operating account which were not resolved in a timely manner.

Recommendation:

It is recommended that more care be taken when posting certain transactions including state aid deductions and payroll transfers and ensuring that reconciling items on the General Operating account bank reconciliations are resolved in a timely manner.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Board Secretary's Records (Cont'd)

Management's Response:

The District has already implemented procedures to ensure that state aid deductions and payroll transfers are accurately posted and General Operating account bank reconciling items are resolved in a timely manner.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted under the Board Secretary's records.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained herein within the Special Revenue Section of the District's ACFR. This section of the ACFR documents the financial position pertaining to projects under Title I, II and III of the Elementary and Secondary Education Act an amended and reauthorized.

The study of compliance for the E.S.E.A. did not indicate any area of noncompliance.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2023. The reimbursement form was reviewed and no exceptions were noted.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made . . ."

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law . . ."

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$20,200 for 2022-23.

As per N.J.S.A. 18A:18A-3, the Board passed a resolution authorizing the Business Administrator as a qualified purchasing agent and increasing the bid threshold to \$44,000.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Attorney's opinion should be sought before a commitment is made.

In as much as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. General compliance was noted.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

The school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or the appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the ACFR Schedule B-5 does separate program and non-program revenue and program and nonprogram cost of goods sold.

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to students, maintenance of all applicable production records, meal counts, noncompetitive procurements, modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP Loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA if the FSMC received a PPP loan.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled "Proprietary Funds", Section G of the ACFR.

Finding 2023-003:

Net cash resources exceeded three months average expenditures by \$183,020. As the District already has a plan in place to utilize the excess cash resources, no formal recommendation is judged to be warranted.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2022 Application for State School Aid (ASSA) for on-roll, private schools for the disabled, low income and bilingual students. We also performed a review of the District procedures related to its completion. The information on the ASSA was compared to the District workpapers with a few exceptions. The information that was included on the workpapers was verified on a test basis with offsetting exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed State forms or their equivalent.

The District's written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2022-2023 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report on a test basis without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations include requirements for the District to establish a maximum travel amount for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel must be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred.

Our review of the travel policies and records revealed that the District is in general compliance with the travel regulations.

Testing for Lead of All Drinking Water in Educational Facilities

The District did submit the annual Statement of Assurance to the NJ Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Facilities and Capital Assets

The District did not have any active SDA projects.

Management Suggestions

COVID-19 Federal Funding

It is likely that the District will undergo some review of its COVID-19 federal funding if only at a desk review level by state and/or federal agencies. We strongly suggest that the District ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the District ensures that these funds are accounted for in the state account numbers designated by the NJ Department of Education and that any applicable Board policies are current with respect to federal grant requirements.

Reconciling Food Service Management Contractor's Operating Statement with District Records

It is suggested that the District reconcile the revenue and expenses per the Food Service Management Contractor's Operating Statement with the District's records on a monthly basis.

Federal Grant Receivables

It is suggested that federal grant requests for reimbursement are submitted on a regular basis to ensure timely collection, to lessen the impact on cash flow and to ensure full compliance with federal cash management requirements.

Status of Prior Year Findings/Recommendations

There were no prior year findings/recommendations.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022

	2023-2024 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per	
	ASSA		Workpapers				Selected from		Registers		Registers	
	On Roll		On Roll		Workpapers		On Roll		on Roll			
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Preschool:												
3 Year Old Half Day	3		3				3		3			
4 Year Old Half Day	7		7				7		7			
Kindergarten Full Day	158		158				158		158			
Grade One	192		192				192		192			
Grade Two	156		156				156		156			
Grade Three	179		179				179		179			
Grade Four	157		157				157		157			
Grade Five	151		151				151		151			
Grade Six	185		185				185		185			
Grade Seven	156		156				156		156			
Grade Eight	189		189				189		189			
Grade Nine	179		179				179		179			
Grade Ten	172		172				172		172			
Grade Eleven	188		188				188		188			
Grade Twelve	177		177				177		177			
Subtotal	2,249		2,249				2,249		2,249			
Special Education:												
Elementary School	182		182				11		11			
Middle School	108		108				6		6			
High School	138		138				8		8			
Subtotal	428		428				25		25			
Totals	2,677	-0-	2,677	-0-	-0-	-0-	2,274	-0-	2,274	-0-	-0-	-0-
Percentage Error					0.00%	0.00%				0.00%	0.00%	

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2022

	Private Schools for Disabled				Resident Low Income						
	Reported on ASSA Private Schools	Reported on Workpapers as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten											
Grade One						9	9		1	1	
Grade Two						11	11		2	2	
Grade Three						10	10		2	2	
Grade Four						9	9		3	3	
Grade Five						14	17	(3)	1	1	
Grade Six						12	12		1	1	
Grade Seven						23	23		1	1	
Grade Eight						11	11		1	1	
Grade Nine						19	19		1	1	
Grade Ten						16	16		1	1	
Grade Eleven						20	20		2	2	
Grade Twelve						13	13		1	1	
Subtotal						178	190	(12)	18	18	
Special Education:											
Elementary School	13	13	1	1		16	14	2	2	2	
Middle School	5	5	1	1		20	20		2	3	(1)
High School	19	19	2	2		33	25	8	3	2	1
Subtotal	37	37	4	4		69	59	10	7	7	
Totals	37	37	4	4	-0-	247	249	(2)	25	25	-0-
Percentage Error					0.00%			0.61%			0.00%

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022

Resident LEP Not Low Income

	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Kindergarten:						
Full Day	2	2		1	1	
Grade One	10	10		1	1	
Grade Two	6	6				
Grade Three	2	2		1	1	
Grade Four	2	2				
Grade Five	1	1				
Grade Eight	1	2	(1)	1	1	
Grade Ten	1	1				
Grade Twelve				1	1	
	<u>25</u>	<u>26</u>	<u>(1)</u>	<u>5</u>	<u>5</u>	
Sp. Ed. Elementary	2	3	(1)			
Sp. Ed. High School	1	1				
	<u>3</u>	<u>4</u>	<u>(1)</u>			
Totals	<u>28</u>	<u>30</u>	<u>(2)</u>	<u>5</u>	<u>5</u>	<u>-0-</u>
Percentage Error			<u>7.14%</u>			<u>0.00%</u>

Resident LEP Low Income

	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Kindergarten:						
Full Day	1	1				
Grade One	2	2				
Grade Three	2	2				
Grade Four	2	2		1	1	
Grade Five	2	2				
Grade Six	5	4	1			
Grade Seven	1	1		1	1	
Grade Eight	3	3				
Grade Ten	5	5		1	1	
Grade Eleven	1	1		1	1	
Totals	<u>24</u>	<u>23</u>	<u>1</u>	<u>4</u>	<u>4</u>	<u>-0-</u>
Percentage Error			<u>4.17%</u>			<u>0.00%</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	1,134	1,134		18	18	
Regular - Special Ed	51	51		1	1	
Transported - Non Public	20	20		1	1	
AIL - Non Public	191	191		3	3	
Special Needs - Public	75	75		1	1	
Special Needs - Private	32	32		1	1	
Totals	1,503	1,503	-0-	25	25	-0-
Percentage Error			0.00%			0.00%
				Reported	Re- calculated	
Average Mileage:						
Regular Including Grade PK Students				4.5	4.5	
Regular Excluding Grade PK Students				4.5	4.5	
Special Education with Special Needs				9.7	9.7	

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2023

REGULAR DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2022-23 Total General Fund Expenditures per the ACFR, Ex. C-1	<u>\$ 91,113,004</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u>\$</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ 2,304,328</u> (B1b)
Transfer from General Fund to SRF for PreK - Regular	<u>\$</u> (B1c)
Transfer from General Fund to SRF for PreK - Inclusion	<u>\$</u> (B1d)
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>\$ 14,786,536</u> (B2a)
Assets Acquired Under Leases and Financed Purchases	<u>\$</u> (B2b)
Adjusted 2022-23 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 78,630,796</u> (B3)
2% of Adjusted 2022-23 General Fund Expenditures [(B3) times .02]	<u>\$ 1,572,616</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 1,572,616</u> (B5)
Increased by: Allowable Adjustments	<u>\$ 1,131,214</u> (K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	<u>\$ 2,703,830</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/2023 (Per ACFR Budgetary Comparison Schedule C-1)	<u>\$ 18,050,753</u> (C)
Decreased by:	
Year-End Encumbrances	<u>\$ 2,343,986</u> (C1)
Legally Restricted:	
Designated for Subsequent Year's Expenditures	<u>\$</u> (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 1,183,574</u> (C3)
Other Restricted Fund Balances	<u>\$ 7,243,847</u> (C4)
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	<u>\$ 2,407,955</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 4,871,391</u> (U1)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

SECTION 3

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0-	\$ <u>2,167,561</u> (E)
<u>Recapitulation of Excess Surplus as of June 30, 2023</u>	
Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ <u>1,183,574</u> (C3)
Restricted Excess Surplus [(E)]	\$ <u>2,167,561</u> (E)
 Total Excess Surplus [(C3)+(E)]	 \$ <u>3,351,135</u> (D)
<u>Detail of Allowable Adjustments</u>	
Impact Aid	\$ <u>-0-</u> (H)
Sale & Lease-back	\$ <u>-0-</u> (I)
Extraordinary Aid	\$ <u>1,070,839</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>60,375</u> (J2)
Current Year School Bus Advertising Revenue Realized	\$ <u>-0-</u> (J3)
Family Crisis Transportation Aid	\$ <u>-0-</u> (J4)
Supplemental Stabilization Aid (April 2023) and Maintenance Equity Aid (July 2023)	\$ <u>-0-</u> (J5)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	 \$ <u>1,131,214</u> (K)

Detail of Other Restricted Fund Balances

Statutory Restrictions:	
Approved Unspent Separate Proposal	\$ <u>-0-</u>
Sale/Lease-back Reserve	\$ <u>-0-</u>
Capital Reserve	\$ <u>3,781,058</u>
Maintenance Reserve	\$ <u>2,156,753</u>
Emergency Reserve	\$ <u>508,900</u>
Tuition Reserve	\$ <u>-0-</u>
School Bus Advertising 50% Fuel Offset Reserve - Current Year	\$ <u>-0-</u>
School Bus Advertising 50% Fuel Offset Reserve - Prior Year	\$ <u>-0-</u>
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ <u>-0-</u>
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$ <u>-0-</u>
Other State/Government Mandated Reserve	\$ <u>-0-</u>
Unemployment Compensation Fund	\$ <u>797,136</u>
Other Restricted Fund Balances Not Noted Above	\$ <u>-0-</u>
 Total Other Restricted Fund Balances	 \$ <u>7,243,847</u> (C4)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2023

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
Finding 2023-002 - more care be taken when posting transactions including state aid deductions and payroll transfers and ensuring that reconciling items on the General Operating account bank reconciliations are resolved in a timely manner.
3. School Purchasing Program
None
4. School Food Service
None
5. Student Body Activities
None
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Miscellaneous
None
10. Status of Prior Year's Findings/Recommendations
There were no prior year findings/recommendations.