

MENDHAM TOWNSHIP SCHOOL DISTRICT

Mendham Township School District
Board of Education
Mendham Township, New Jersey

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024

Annual Comprehensive Financial Report

of the

Mendham Township School District
Board of Education

Mendham Township, New Jersey

For Fiscal Year Ended June 30, 2024

Prepared by

Mendham Township School District
Board of Education

MENDHAM TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION

Mendham Township Board of Education

6 East Main Street * Post Office Box 510
Brookside, NJ 07926

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Superintendent
sconstantino@mendhamtwp.org
Telephone: 973-543-5537



Donna Mosner
School Business Administrator
dmosner@mendhamtwp.org
Fax: 973-543-2892

October 15, 2024

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

Dear Honorable President and Board Members:

The Annual Comprehensive Financial Report of the Mendham Township School District (the "District") for the fiscal year ended June 30, 2024, 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 Mendham Township Board of Education (the "Board"). 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 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, the District's organizational chart, and a list of principal officials. The financial section includes The Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations 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*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts, and grants along with findings and questioned costs, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Mendham Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Mendham Township Board of Education and 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 included regular as well as special education for classified children. The District completed the 2023-2024 fiscal year with an enrollment of 790 students.

2. ECONOMIC CONDITION AND OUTLOOK: The Mendham Township area is currently experiencing a period of rapid economic development. Home sales have resulted in an increasing enrollment. The Mendham Township area is a highly desirable community in Morris County with a reputation for excellence in its schools.

Mendham Township Board of Education

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The Honorable President and Members
of the Board of Education
Mendham Township School District
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October 15, 2024

3. **MAJOR INITIATIVES:** Mendham Township continues to be a unique and special school district. Class size has been kept at an average below those recommended by the State of New Jersey. Our rationale is that the individual needs of students can best be served when the teacher has the time to work with each student and can plan accordingly. The nurturing environment of our District provides parents, teachers, and students with many opportunities to exchange ideas, concerns, progress, and problems. Further, it ensures that the concept of a partnership in the education of district youngsters is at the forefront of our program. The changes that do occur in our curriculum are based upon the direct needs of our students in relation to the state requirements and the New Jersey Student Learning Standards.

Our students continue to score well above the State mean in grades three through eight on the NJ Student Learning Assessments. We offer an integrated preschool program and a Pre-K disabled program for youngsters experiencing developmental language problems as well as a resource room and inclusion programs for classified students Pre-K-8. Speech and language services make up a significant part of our related services.

With the exception of severely handicapped youngsters, all special needs students are served by and in our local schools. Often, we are asked to tailor programs to meet the special talents of youngsters and we have accomplished that through modified schedules, special curricular programs, and cooperative programs with the regional high school.

The uniqueness of our small school district is most clearly seen in the scope of educational and extracurricular activities that are provided to our students. Currently, an extensive world language program is offered to our students in grades K-8, focusing on verbal, written, and cultural proficiencies. Students may participate in club programs, interscholastic sports (nine seasonal sports), and consortium programs on a district, county, and state level as well as national academic competitions. There is a student government program in grades 5-8. Many of our staff members give freely of their time to sponsor field experiences, outdoor education, and teacher exchange programs. Teachers have received county, state, and national recognition for programs in mathematics, science, and world languages.

Mendham Township Public Schools do not stand still very long. We have a rich tradition of providing a sound program as well as being receptive to proven educational progress. Our students move forward well-prepared for secondary education mentally, physically, socially, and emotionally.

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 (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of

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The Honorable President and Members
of the Board of Education
Mendham Township School District
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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 awards and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

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

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 canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as fund balance restrictions, commitments, and assignments on June 30, 2024.

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 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. 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, automobile liability, and comprehensive/collision, hazard, and theft insurance on

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The Honorable President and Members
of the Board of Education
Mendham Township School District
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October 15, 2024

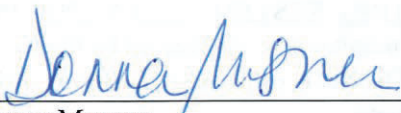
property, contents, and fidelity bonds. The Board oversees Risk Management for the District. A schedule of insurance coverage is found on Exhibit J-20.

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, CPAs, was selected by the Board. In addition to meeting the requirements outlined 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 are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Mendham Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

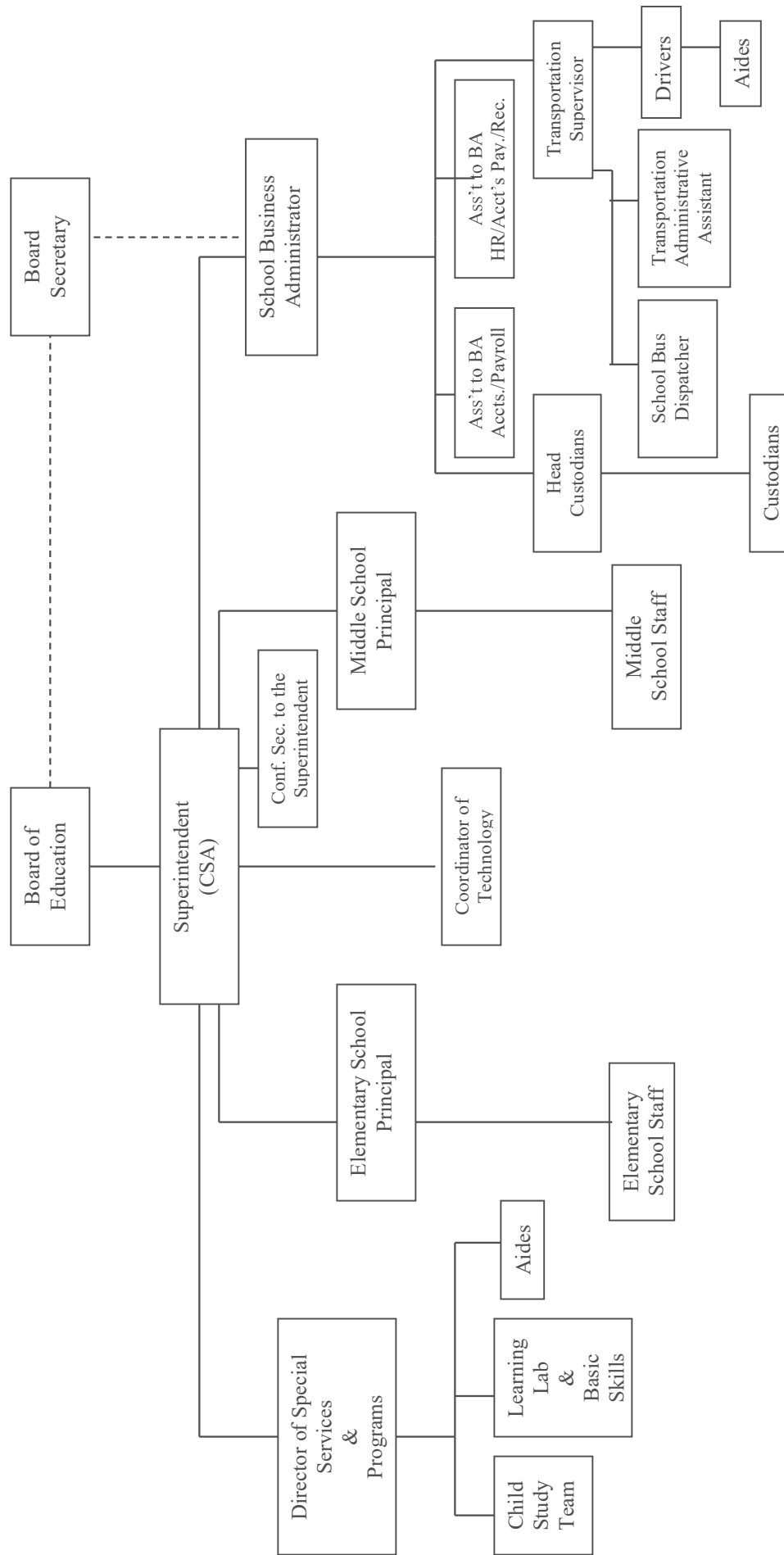
Respectfully submitted,


Salvatore Constantino, Ed.D.
Superintendent


Donna Mosner
Business Administrator/Board Secretary

Mendham Township Board of Education

ORGANIZATIONAL CHART



MENDHAM TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2024

Members of the Board of Education

Term Expires

Joan Mody, President	2025
Rekha Mandel, Vice President	2025
Adam Dubeck	2024
Peter Dumovic	2024
Thomas Keeling	2024
Andrew Christmann	2025
Diana Orban Brown	2026

Other Officials

Title

Salvatore Constantino, Ed.D.	Superintendent/Principal
Donna Mosner	School Business Administrator/Board Secretary
Elizabeth George, CPA	Treasurer of School Monies
Matthew J. Giacobbe	School Board Attorney
(Cleary, Giacobbe, Alfieri, Jacobs,LLC)	

MENDHAM TOWNSHIP SCHOOL DISTRICT

Consultants and Advisors
Year Ended June 30, 2024

Audit Firm

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and
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Architect of Record

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Rockaway, NJ 07866

Official Depository

Lakeland Bank
98 East Main Street
Mendham, NJ 07945

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Mendham Township School District
County of Morris, 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 Mendham Township School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 2024, 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, 2024, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

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

October 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

**MENDHAM TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

This section of Mendham Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

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

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services and a middle school play program.

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 Mendham Township School District's Financial Report

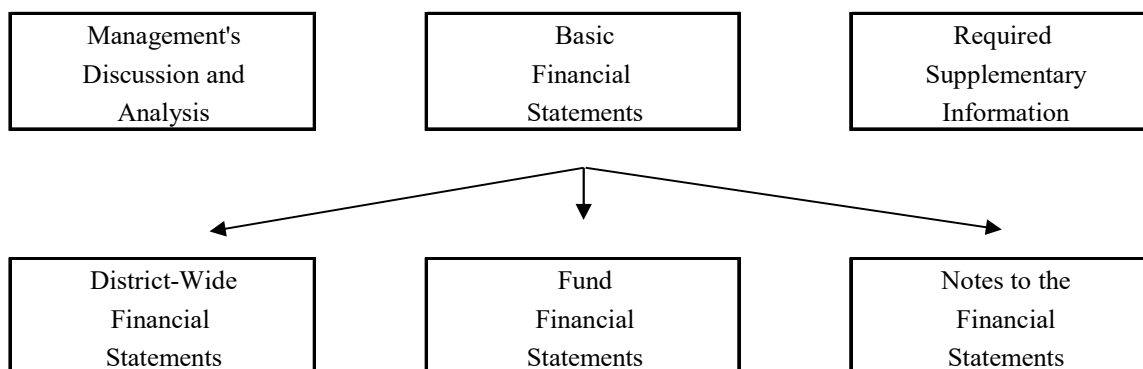


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**MENDHAM TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

		Fund Financial Statements	
	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary (such as special education and building maintenance)	Activities the District operates similar to private businesses; Food Services and the Middle School Play programs
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 	Statement of <ul style="list-style-type: none"> • Net Position • Revenues, Expenses and Changes in Net Position • Cash Flows
Accounting Basis and Measurement focus	Accrual Accounting and Economic Resources focus	Modified Accrual Accounting and Current Financial 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	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 year end; expenditures when goods and 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

**MENDHAM TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

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 and middle school play program 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.

**MENDHAM TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

Fund Financial Statements

- *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.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the District as a Whole

Changes in Net Position. Net position in the Governmental Activities increased due primarily to the maturity of long-term liabilities and capital assets additions offset by depreciation expense. An explanation for the change in Net Position for Business-Type Activities is included later in this section of the report.

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

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2024	2023	2024	2023	2024	2023	2023-2024
Current and Other Assets	\$ 24,296,592	\$ 25,791,503	\$ 64,787	\$ 68,631	\$ 24,361,379	\$ 25,860,134	
Capital Assets, Net	16,415,010	15,423,507	101,873	83,187	16,516,883	15,506,694	
Lease Assets, Net	50,547	70,144			50,547	70,144	
Total Assets	40,762,149	41,285,154	166,660	151,818	40,928,809	41,436,972	-1.23%
Deferred Outflows of Resources	901,105	774,409			901,105	774,409	16.36%
Other Liabilities	768,134	827,734	17,006	15,344	785,140	843,078	
Long-Term Liabilities	23,749,899	24,359,549			23,749,899	24,359,549	
Total Liabilities	24,518,033	25,187,283	17,006	15,344	24,535,039	25,202,627	-2.65%
Deferred Inflows of Resources	674,838	1,253,520			674,838	1,253,520	-46.16%
Net Position:							
Net Investment in							
Capital Assets	13,535,271	13,495,176	101,873	83,187	13,637,144	13,578,363	
Restricted	6,366,824	6,210,594			6,366,824	6,210,594	
Unrestricted/(Deficit)	(3,431,712)	(4,087,010)	47,781	53,287	(3,383,931)	(4,033,723)	
Total Net Position	\$ 16,470,383	\$ 15,618,760	\$ 149,654	\$ 136,474	\$ 16,620,037	\$ 15,755,234	5.49%

**MENDHAM TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

The Changes in the Net Position shows the cost of program services and the revenues of the District on a comparative schedule (Refer to Figure A-4).

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2024	2023	2024	2023	2024	2023	2023-2024
Revenue:							
Program Revenue:							
Charges for Services	\$ 2,457,160	\$ 2,844,678	\$ 455,680	\$ 409,796	\$ 2,912,840	\$ 3,254,474	
Operating Grants and Contributions	4,740,899	4,247,959			4,740,899	4,247,959	
General Revenue:							
Property Taxes	18,871,499	18,300,663			18,871,499	18,300,663	
Unrestricted Federal and State Aid	697,637	94,221			697,637	94,221	
Other	864,067	593,731	3,789	55,308	867,856	649,039	
Total Revenue	27,631,262	26,081,252	459,469	465,104	28,090,731	26,546,356	5.82%
Expenses:							
Instruction	13,752,480	12,797,307			13,752,480	12,797,307	
Tuition	427,220	198,433			427,220	198,433	
Pupil & Instruction Services	3,084,365	2,726,005			3,084,365	2,726,005	
Administrative and Business	2,109,627	2,083,860			2,109,627	2,083,860	
Maintenance & Operations	3,135,981	2,886,354			3,135,981	2,886,354	
Transportation	3,414,710	3,032,201			3,414,710	3,032,201	
Other	855,256	619,227	446,289	389,704	1,301,545	1,008,931	
Total Expenses	26,779,639	24,343,387	446,289	389,704	27,225,928	24,733,091	10.08%
Change in Net Position	\$ 851,623	\$ 1,737,865	\$ 13,180	\$ 75,400	\$ 864,803	\$ 1,813,265	-52.31%

Governmental Activities

The financial position of the District remains strong. However, maintaining existing programs with regular pupil enrollment and the provision of a multitude of special programs and services for special needs pupils place great demands on the District's resources. Careful management of expenses remains essential for the District to sustain its financial health.

Figure A-5 presents the cost of seven major District activities: instruction, tuition, pupil and instructional services, administration and business, maintenance and operations, transportation, and other costs. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

**MENDHAM TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

Governmental Activities

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

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction	\$ 13,752,480	\$ 12,797,307	\$ 9,050,850	\$ 8,356,277
Tuition	427,220	198,433	427,220	198,433
Pupil & Instruction Services	3,084,365	2,726,005	2,909,093	2,534,453
Administrative and Business	2,109,627	2,083,860	1,889,804	1,861,299
Maintenance & Operations	3,135,981	2,886,354	3,135,981	2,886,354
Transportation	3,414,710	3,032,201	1,313,376	794,707
Other	855,256	619,227	855,256	619,227
Total	<u>\$ 26,779,639</u>	<u>\$ 24,343,387</u>	<u>\$ 19,581,580</u>	<u>\$ 17,250,750</u>

Business-Type Activities

Net position from the District's business-type activities increased by \$13,180, primarily due to an increase in the Food Service Enterprise Fund revenues offset by decreases in Food Service and Middle School Play Enterprise Fund expenses.

Financial Analysis of the District's Funds

The District's Governmental Funds changed on a GAAP basis during the fiscal year as follows:

General Fund Balance increased \$60,330 primarily due to increases in local (interest earnings, tuition, and transportation fees) and state revenue as well as unexpended budget appropriations. The Special Revenue Fund Balance increased \$26,220 primarily due to increased revenues for Student Activities. The Capital Projects Fund Balance decreased \$1,805,408 which is due to current year expenditures for capital projects. The Debt Service Fund increased \$301,508 due to the transfer of interest earned in the Capital Projects Fund on the unexpended 2022 bond proceeds.

General Fund Budgetary Highlights

Over the course of the year, the District revised its annual operating budget a few times. These budget amendments were for changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

**MENDHAM TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

Capital Assets

At year end, the District's capital assets were \$16,516,883, an increase of \$991,503, or 6.39%, from the previous year. (More detailed information about the District's capital assets is presented in Note 6 to the financial statements.)

**Figure A-6
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2024	2023	2024	2023	2024	2023	2022-2023
Land	\$ 14,000	\$ 14,000			\$ 14,000	\$ 14,000	
Construction in Progress	3,825,361	1,719,953			3,825,361	1,719,953	
Site Improvements	286,585	314,840			286,585	314,840	
Buildings/Improvements	10,772,823	11,681,920			10,772,823	11,681,920	
Furniture, Machinery & Equipment	1,516,241	1,692,794	\$ 101,873	\$ 83,187	1,618,114	1,775,981	
Total	<u>\$ 16,415,010</u>	<u>\$ 15,423,507</u>	<u>\$ 101,873</u>	<u>\$ 83,187</u>	<u>\$ 16,516,883</u>	<u>\$ 15,506,694</u>	6.51%

Long-Term Liabilities

At year-end, the District had \$23,749,899 in general obligation bonds, net pension liability and other long-term liabilities outstanding – a decrease of \$609,650 from the prior year due primarily to the increase in Net Pension Liability offset by current year payments of general obligation bonds – as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements.)

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

	Total School District		Percent Change
	2024	2023	2023-2024
General Obligation Bonds (Financed with Property Taxes)	\$ 18,870,000	\$ 19,903,000	
Net Pension Liability	4,043,545	3,826,314	
Other Long Term Liabilities	836,354	630,235	
Total	<u>\$ 23,749,899</u>	<u>\$ 24,359,549</u>	-2.50%

**MENDHAM TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was in a good financial position and there were no significant factors bearing on the District's future.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 6 East Main Street, Brookside, New Jersey 07926.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

MENDHAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 19,846,481	\$ 52,146	\$ 19,898,627
Receivable from Federal Government	304,023		304,023
Receivable from State Government	485,840		485,840
Other Accounts Receivable	84,698		84,698
Internal Balances	(1,549)	1,549	
Inventories		11,092	11,092
Restricted Cash and Cash Equivalents	3,577,099		3,577,099
Capital Assets:			
Land and Construction in Progress	3,839,361		3,839,361
Depreciable Site Improvements, Buildings and Building Improvements and Furniture, Machinery & Equipment	12,575,649	101,873	12,677,522
Lease Assets, Net	<u>50,547</u>		<u>50,547</u>
Total Assets	<u>40,762,149</u>	<u>166,660</u>	<u>40,928,809</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	<u>901,105</u>		<u>901,105</u>
Total Deferred Outflows of Resources	<u>901,105</u>		<u>901,105</u>
<u>LIABILITIES</u>			
Accounts Payable	497,137	1,100	498,237
Accrued Interest Payable	212,717		212,717
Unearned Revenue	58,280	15,906	74,186
Noncurrent Liabilities:			
Due Within One Year	959,728		959,728
Due Beyond One Year	<u>22,790,171</u>		<u>22,790,171</u>
Total Liabilities	<u>24,518,033</u>	<u>17,006</u>	<u>24,535,039</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	<u>674,838</u>		<u>674,838</u>
Total Deferred Inflows of Resources	<u>674,838</u>		<u>674,838</u>

MENDHAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 13,535,271	\$ 101,873	\$ 13,637,144
Restricted for:			
Capital Projects	2,604,529		2,604,529
Debt Service	762,974		762,974
Maintenance	758,024		758,024
Unemployment Compensation	121,609		121,609
Student Activities	92,937		92,937
Excess Surplus	2,026,751		2,026,751
Unrestricted/(Deficit)	<u>(3,431,712)</u>	<u>47,781</u>	<u>(3,383,931)</u>
Total Net Position	<u>\$ 16,470,383</u>	<u>\$ 149,654</u>	<u>\$ 16,620,037</u>

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

MENDHAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 10,022,073	\$ 564,760	\$ 2,178,450	\$ (7,278,863)		\$ (7,278,863)
Special Education	3,081,049		1,958,420	(1,122,629)		(1,122,629)
Other Instruction	347,263			(347,263)		(347,263)
School-Sponsored Instruction	302,095			(302,095)		(302,095)
Support Services:						
Tuition	427,220			(427,220)		(427,220)
Student & Instruction Related Services	3,084,365	175,272		(2,909,093)		(2,909,093)
General Administrative Services	863,422		60,355	(803,067)		(803,067)
School Administrative Services	748,640			(748,640)		(748,640)
Central Services and Administrative						
Information Technology	497,565		159,468	(338,097)		(338,097)
Plant Operations and Maintenance	3,135,981			(3,135,981)		(3,135,981)
Pupil Transportation	3,414,710	1,717,128	384,206	(1,313,376)		(1,313,376)
Interest and Other Charges	784,847			(784,847)		(784,847)
Capital Outlay	61,715			(61,715)		(61,715)
Unallocated Depreciation	8,694			(8,694)		(8,694)
Total Governmental Activities	26,779,639	2,457,160	4,740,899	(19,581,580)		(19,581,580)

MENDHAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:						
Middle School Play	\$ 19,802	\$ 18,176			\$ (1,626)	\$ (1,626)
Food Service	426,487	437,504			11,017	11,017
Total Business-Type Activities	446,289	455,680			9,391	9,391
Total Primary Government	\$ 27,225,928	\$ 2,912,840	\$ 4,740,899	\$ (19,581,580)	9,391	(19,572,189)
General Revenue:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				17,949,755		17,949,755
Taxes Levied for Debt Service				921,744		921,744
Federal and State Aid not Restricted				697,637		697,637
Miscellaneous Income				864,067	3,789	867,856
Total General Revenue				20,433,203	3,789	20,436,992
Change in Net Position				851,623	13,180	864,803
Net Position - Beginning				15,618,760	136,474	15,755,234
Net Position - Ending				\$ 16,470,383	\$ 149,654	\$ 16,620,037

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

FUND FINANCIAL STATEMENTS

MENDHAM TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 2,704,874		\$ 17,141,607		\$ 19,846,481
Receivables From Federal Government		\$ 304,023			304,023
Receivables From State Government	485,840				485,840
Other Receivables	79,350	5,348			84,698
Interfund Receivable	310,366			\$ 762,974	1,073,340
Restricted Cash and Cash Equivalents	3,484,162	92,937			3,577,099
Total Assets	<u>\$ 7,064,592</u>	<u>\$ 402,308</u>	<u>\$ 17,141,607</u>	<u>\$ 762,974</u>	<u>\$ 25,371,481</u>
<u>LIABILITIES AND FUND BALANCES:</u>					
Liabilities:					
Accounts Payable	\$ 49,401				\$ 49,401
Interfund Payable	1,549	\$ 309,371	\$ 763,969		1,074,889
Unearned Revenue	58,280				58,280
Total Liabilities	<u>109,230</u>	<u>309,371</u>	<u>763,969</u>		<u>1,182,570</u>
Fund Balances:					
Restricted:					
Capital Reserve	2,604,529				2,604,529
Maintenance Reserve	758,024				758,024
Unemployment Compensation	121,609				121,609
Excess Surplus - 2025-2026	992,589				992,589
Excess Surplus - 2024-2025	1,034,162				1,034,162
Student Activities		92,937			92,937
Capital Projects			16,077,638		16,077,638
Debt Service				\$ 762,974	762,974
Assigned:					
Capital Projects			300,000		300,000
Year-End Encumbrances	665,977				665,977
Unassigned	778,472				778,472
Total Fund Balances	<u>6,955,362</u>	<u>92,937</u>	<u>16,377,638</u>	<u>762,974</u>	<u>24,188,911</u>
Total Liabilities and Fund Balances	<u>\$ 7,064,592</u>	<u>\$ 402,308</u>	<u>\$ 17,141,607</u>	<u>\$ 762,974</u>	<u>\$ 25,371,481</u>
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are Different Because:					
Total Fund Balances from Above					\$ 24,188,911
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.					16,415,010
Leased Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.					50,547
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.					(212,717)
Long-Term Liabilities, Are Not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds					(23,749,899)
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					453,369
Deferred Inflows					(674,838)
Net Position of Governmental Activities					<u>\$ 16,470,383</u>

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

MENDHAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 17,949,755			\$ 921,744	\$ 18,871,499
Tuition From Individuals	564,760				564,760
Transportation Fees from Other LEASs	1,717,128				1,717,128
Rents and Royalties	4,334				4,334
Interest Earned on Maintenance Reserve Funds	31,184				31,184
Interest Earned on Capital Reserve Funds	28,811				28,811
Restricted Miscellaneous Revenues	10,079				10,079
Unrestricted Miscellaneous Revenues	188,151	\$ 175,272	\$ 601,508		964,931
	20,494,202	175,272	601,508	921,744	22,192,726
State Sources	5,860,335			628,524	6,488,859
Federal Sources		644,389			644,389
Total Revenues	26,354,537	819,661	601,508	1,550,268	29,325,974
EXPENDITURES:					
Current:					
Regular Instruction	6,459,795	516,774			6,976,569
Special Education Instruction	1,895,743	135,263			2,031,006
Other Instruction	256,938				256,938
School-Sponsored	302,095				302,095
Support Services and Undistributed Costs:					
Tuition	427,220				427,220
Student and Other Instruction Related Services	2,287,226	141,404			2,428,630
General Administration Services	619,796				619,796
School Administration Services	523,905				523,905

MENDHAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES:					
Central Services & Administrative Information Technology	\$ 324,173				\$ 324,173
Plant Operations and Maintenance	1,898,884				1,898,884
Student Transportation	2,857,648				2,857,648
Unallocated Benefits	8,336,387				8,336,387
Debt Service:					
Interest and Other Charges				\$ 517,268	517,268
Principal				1,033,000	1,033,000
Capital Outlay	104,397		\$ 2,105,408		2,209,805
Total Expenditures	26,294,207	793,441	2,105,408	1,550,268	30,743,324
Excess/(Deficit) of Revenue Over/(Under) Expenditures	60,330	26,220	(1,503,900)		(1,417,350)
OTHER FINANCING SOURCES/(USES):					
Transfers In				301,508	301,508
Transfers Out			(301,508)		(301,508)
Total Other Financing Sources/(Uses)			(301,508)	301,508	
Net Change in Fund Balances	60,330	26,220	(1,805,408)	301,508	(1,417,350)
Fund Balance - July 1	6,895,032	66,717	18,183,046	461,466	25,606,261
Fund Balance - June 30	\$ 6,955,362	\$ 92,937	\$ 16,377,638	\$ 762,974	\$ 24,188,911

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

MENDHAM TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)

\$ (1,417,350)

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 capital outlays differ from depreciation.

Depreciation Expense	\$	(1,113,905)
Capital Outlays		2,105,408

991,503

Capital outlays related to lease assets are reported in Governmental Funds as expenditures.

However, in the Statement of Activities the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period.

(19,567)

In the statement of activities, certain operating expenses, e.g., compensated absences 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(46,686)

Repayment of serial 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.

1,033,000

MENDHAM TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Repayment of leases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	\$ 19,068
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.	121,499
In the Statement of Activities, interest on long term debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).	(267,579)
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:	
Changes in Net Pension Liability	(217,231)
Change in Deferred Outflows	76,284
Change in Deferred Inflows	578,682
Change in Net Position of Governmental Activities (Exhibit A-2)	\$ 851,623

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

MENDHAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-type Activities - Enterprise Funds	
	Non-Major Funds	Enterprise Funds Total
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 52,146	\$ 52,146
Interfund Accounts Receivable	1,549	1,549
Inventories	11,092	11,092
Total Current Assets	64,787	64,787
Non-Current Assets:		
Capital Assets	164,682	164,682
Less: Accumulated Depreciation	(62,809)	(62,809)
Total Non-Current Assets	101,873	101,873
Total Assets	166,660	166,660
LIABILITIES:		
Current Liabilities:		
Accounts Payable - Vendors	1,100	1,100
Unearned Revenue - Prepaid Meals	15,906	15,906
Total Current Liabilities	17,006	17,006
NET POSITION:		
Investment in Capital Assets	101,873	101,873
Unrestricted	47,781	47,781
Total Net Position	\$ 149,654	\$ 149,654

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

MENDHAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-type Activities - Enterprise Funds	
	Non-Major Funds	Enterprise Funds Total
Operating Revenue:		
Local Sources:		
Daily Sales - Non-Reimbursable Programs	\$ 435,878	\$ 435,878
Charges for Services - Program Fees	19,802	19,802
Total Operating Revenue	455,680	455,680
Operating Expenses:		
Cost of Sales - Non-Reimbursable Programs	175,188	175,188
Salaries, Benefits & Payroll Taxes	184,112	184,112
Supplies, Insurance & Other Costs	34,190	34,190
Management Fee	29,662	29,662
Program Expenses	18,176	18,176
Depreciation Expense	4,961	4,961
Total Operating Expenses	446,289	446,289
Operating Income/(Loss)	9,391	9,391
Non-Operating Revenue:		
Local Sources:		
Interest Income	3,789	3,789
Total Non-Operating Revenue	3,789	3,789
Change in Net Position	13,180	13,180
Net Position - Beginning of Year	136,474	136,474
Net Position - End of Year	\$ 149,654	\$ 149,654

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

MENDHAM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-type Activities - Enterprise Funds	
	Non-Major Funds	Enterprise Funds Total
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 456,242	\$ 456,242
Payments for Programs	(29,319)	(29,319)
Payments to Food Service Vendor	(414,799)	(414,799)
Net Cash Provided by/(Used for) Operating Activities	12,124	12,124
Cash Flows from Investing Activities:		
Local Sources:		
Interest Income	3,789	3,789
Net Cash Provided by Investing Activities	3,789	3,789
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(23,647)	(23,647)
Net Cash Used for Capital and Related Financial Activities	(23,647)	(23,647)
Net Increase/(Decrease) in Cash and Cash Equivalents	(7,734)	(7,734)
Cash and Cash Equivalents, July 1	59,880	59,880
Cash and Cash Equivalents, June 30	<u>\$ 52,146</u>	<u>\$ 52,146</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:		
Operating Income/(Loss)	\$ 9,391	\$ 9,391
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities:		
Depreciation	4,961	4,961
Changes in Assets and Liabilities:		
(Increase)/Decrease in Inventory	(3,890)	(3,890)
Increase/(Decrease) in Unearned Revenue	562	562
Increase/(Decrease) in Accounts Payable	1,100	1,100
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 12,124</u>	<u>\$ 12,124</u>

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

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of the Mendham Township School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. 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.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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 capital 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 Expense 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.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets or lease assets 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.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements: (Cont'd)

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Enterprise Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's food service and middle school play program operations. The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. 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 governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

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.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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 budgets are submitted to the County office and are 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 except for student activities. 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 the payments in the GAAP financial statements.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 26,374,899	\$ 673,656
Differences - Budget to GAAP:		
Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas GAAP does not		
Prior Year Encumbrances		146,005
Prior Year State Aid Payment Recognized for GAAP Statements, not Recognized for Budgetary Statements	99,251	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(119,613)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 26,354,537</u>	<u>\$ 819,661</u>

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 26,294,207	\$ 647,436
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior Year Encumbrances	<u> </u>	<u>146,005</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 26,294,207</u>	<u>\$ 793,441</u>

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

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.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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 source/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.

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, 2024.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

K. Capital Assets:

The District has established a formal system of accounting for its capital assets. 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. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 Years
Site Improvements	20 Years
Furniture, Machinery and Equipment	10 to 15 Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases 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 premiums and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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 distributed during the entire twelve-month year, therefore, there is \$507 of accrued salaries and wages as of June 30, 2024.

P. Compensated Absences:

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

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.

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.

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 \$6,955,362 General Fund Balance at June 30, 2024, \$665,977 is assigned for year-end encumbrances; \$2,604,529 is restricted in the capital reserve account; \$758,024 is restricted in the maintenance reserve account; \$121,609 is restricted for unemployment compensation; \$2,026,751 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) (\$1,034,162 of prior year excess surplus has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2025; \$992,589 of current year excess surplus will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2026); and \$778,472 is unassigned fund balance (which is \$119,613 less than the calculated maximum unassigned fund balance, on a Budgetary basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2025).

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

Special Revenue Fund: The Special Revenue Fund Balance at June 30, 2024 is \$92,937 and is restricted for student activities.

Capital Projects Fund: The Capital Projects Fund Balance at June 30, 2024 is \$16,377,638; \$300,000 is assigned for Arbitrage Rebate Payable and \$16,077,638 is restricted.

Debt Service Fund: The Debt Service Fund Balance at June 30, 2024 of \$762,974 is restricted.

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 had excess surplus as indicated above.

P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the related state aid payments 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 Net Position

The District has a deficit in unrestricted net position of \$3,431,712 in governmental activities, which is primarily due to compensated absences payable, and net pension liability, offset by deferred inflows and outflows related to pensions. The deficit does not indicate that the District is in 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. 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 outflows of resources and deferred inflows of resources at June 30, 2024 related to pensions.

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

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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 for a capital reserve, a maintenance reserve, excess surplus, unemployment compensation, student activities, capital projects and debt service.

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, to remove or change the commitment or resources. The District has no committed resources at June 30, 2024.

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 in the General Fund for year-end encumbrances and in the Capital Projects Fund for arbitrage rebate liability at June 30, 2024.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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 an 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. The District considers revenue that is collected within sixty days of the fiscal year end as available.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, 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.

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 and middle school play program. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the respective 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.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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 government'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 entitled Investments.

Custodial Credit Risk – The District's policy with respect to custodial credit risk ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

New Jersey statutes 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.

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%.

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.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

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
- (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;

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (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, 2024, cash and cash equivalents of the District consisted of the following:

	Unrestricted Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking & Savings Accounts	\$ 19,898,627	\$ 3,577,099	\$ 23,475,726
	<u>\$ 19,898,627</u>	<u>\$ 3,577,099</u>	<u>\$ 23,475,726</u>

During the period ended June 30, 2024, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2024, was \$23,475,726 and the bank balance was \$25,029,656.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Mendham Township School District by inclusion of \$1 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 Department, 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. 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.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Balance at June 30, 2023	\$ 2,575,718
Interest Earnings	<u>28,811</u>
Balance at June 30, 2024	<u><u>\$ 2,604,529</u></u>

The balance in the capital reserve account at June 30, 2024 does not exceed the Long-Range Facilities Plan balance of local support costs of uncompleted projects.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2024, the District transferred \$17,706 to the Capital Outlay accounts for equipment which did not require the County Superintendent's approval.

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	<u>Balance</u> <u>6/30/2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>6/30/2024</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 14,000			\$ 14,000
Construction in Progress	1,719,953	\$ 2,105,408		3,825,361
Total Capital Assets not Being Depreciated	<u>1,733,953</u>	<u>2,105,408</u>		<u>3,839,361</u>
Capital Assets Being Depreciated:				
Site Improvements	1,018,755			1,018,755
Buildings and Building Improvements	26,182,478			26,182,478
Machinery and Equipment	4,031,332			4,031,332
Total Capital Assets Being Depreciated	<u>31,232,565</u>			<u>31,232,565</u>
Governmental Activities Capital Assets	<u>32,966,518</u>	<u>2,105,408</u>		<u>35,071,926</u>
Less Accumulated Depreciated for:				
Site Improvements	(703,915)	(28,255)		(732,170)
Buildings and Building Improvements	(14,500,558)	(909,097)		(15,409,655)
Machinery and Equipment	(2,338,538)	(176,553)		(2,515,091)
Total Accumulated Depreciation	<u>(17,543,011)</u>	<u>(1,113,905)</u>		<u>(18,656,916)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 15,423,507</u></u>	<u><u>\$ 991,503</u></u>	<u><u>\$ - 0 -</u></u>	<u><u>\$ 16,415,010</u></u>

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

	Balance 6/30/2023	Increases	Decreases	Balance 6/30/2024
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 141,035	\$ 23,647		\$ 164,682
Less Accumulated Depreciation	(57,848)	(4,961)		(62,809)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 83,187</u>	<u>\$ 18,686</u>	<u>\$ - 0 -</u>	<u>\$ 101,873</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 3,650
Special Education Instruction	68
General Administrative Services	4,271
School Administrative Services	50,519
Operations & Maintenance of Plant	909,082
Student Transportation	137,621
Unallocated	8,694
	<u>\$ 1,113,905</u>

NOTE 7. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Lease Assets Being Amortized:				
Machinery and Equipment	\$ 191,695			\$ 191,695
Total Lease Assets Being Amortized	191,695			191,695
Governmental Activities Lease Assets	191,695			191,695
Less Accumulated Amortization for:				
Machinery and Equipment	(121,581)	\$ (19,567)		(141,148)
	(121,581)	(19,567)		(141,148)
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 70,114</u>	<u>\$ (19,567)</u>	<u>\$ - 0 -</u>	<u>\$ 50,547</u>

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. LEASE ASSETS (Cont'd)

Amortization expense was charged to governmental functions as follows:

Regular Instruction	\$ 19,567
	<u>\$ 19,567</u>

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2023	Accrued	Retired	Balance 6/30/2024	Amount Due Within One Year
Bonds Payable	\$ 19,903,000		\$ 1,033,000	\$ 18,870,000	\$ 855,000
Net Pension Liability	3,826,314	\$ 217,231		4,043,545	
Lease Assets Payable	72,137		19,068	53,069	19,873
Financed Purchases Payable	206,354		121,499	84,855	84,855
Compensated Absences Payable	351,744	53,010	6,324	398,430	
Arbitrage Rebate Payable		300,000		300,000	
	<u>\$ 24,359,549</u>	<u>\$ 570,241</u>	<u>\$ 1,179,891</u>	<u>\$ 23,749,899</u>	<u>\$ 959,728</u>

A. Bonds Payable:

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

The District had bonds outstanding as of June 30, 2024 as follows:

Purpose	Final Maturity Date	Interest Rate	Amount
School Bonds, Series 2022	8/1/41	2.00% - 2.75%	\$ 18,870,000
			<u>\$ 18,870,000</u>

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

Principal and interest due on serial bonds outstanding are as follows:

Year Ending June 30,	Bonds		Total
	Principal	Interest	
2025	\$ 855,000	\$ 461,825	\$ 1,316,825
2026	875,000	444,525	1,319,525
2027	885,000	426,925	1,311,925
2028	910,000	408,975	1,318,975
2029	925,000	390,625	1,315,625
Thereafter 5 Years (2030-2034)	4,995,000	1,601,063	6,596,063
Thereafter 5 Years (2035-2039)	5,660,000	913,995	6,573,995
Thereafter 3 Years (2040-2042)	3,765,000	157,228	3,922,228
	<u>\$ 18,870,000</u>	<u>\$ 4,805,161</u>	<u>\$ 23,675,161</u>

On March 30, 2022, the District issued serial bonds of \$19,903,000 with interest rates ranging from 2.00% to 2.75% to fund the referendum projects. The bonds mature on August 1, 2023 through 2041.

B. Bonds Authorized But Not Issued:

As of June 30, 2024, the Board has \$197 of bonds authorized but not issued.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the long-term liabilities and will be liquidated by the General Fund. There is no current portion of the compensated absences balance of the governmental funds; therefore, the long-term portion of compensated absences is \$398,430. There is no liability for compensated absences in the District's Enterprise Funds.

D. Net Pension Liability

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the long-term liabilities and will be liquidated by the General Fund. There is no current portion of the net pension liability at June 30, 2024; therefore, the long-term portion of the net pension liability is \$4,043,545. See Note 9 for further information on the PERS.

E. Financed Purchases Payable

The District has financed purchases agreements for vehicles valued at \$602,832, of which \$517,977 has matured and been repaid. The finance purchase agreements are for five-year terms and will be liquidated by the General Fund. The following is a schedule of the future lease payments under these finance purchases, and the present value of the net minimum lease payments at June 30, 2024:

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. LONG-TERM LIABILITIES: (Cont'd)

E. Financed Purchases Payable: (Cont'd)

<u>Year</u>	<u>Amount</u>
2025	\$ 86,780
Total Minimum Financed Purchases Payments	86,780
Less: Amount Representing Interest	<u>(1,925)</u>
Present Value Net of Minimum Financed Purchases Payments	<u><u>\$ 84,855</u></u>

There is no long-term portion of finance purchases payable at June 30, 2024; therefore, the short-term portion of financed purchases payable is \$84,855 and will be liquidated through the General Fund.

F. Leases Payable:

The District had leases outstanding as of June 30, 2024 as follows:

<u>Purpose</u>	<u>Leases Payable</u>			
	<u>Frequency of Payment</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
2022 Savin Copier	Monthly	01/28/27	0.345%	\$ 53,069
				<u><u>\$ 53,069</u></u>

There is no long-term portion of leases payable at June 30, 2024; therefore, \$53,069 is the short-term portion of leases payable and will be liquidated through the General Fund.

Principal and interest due on leases outstanding as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 19,873	\$ 1,823
2026	20,712	984
2027	<u>12,484</u>	<u>173</u>
	<u><u>\$ 53,069</u></u>	<u><u>\$ 2,980</u></u>

G. Arbitrage Rebate Payable:

The District is subject to liability for arbitrage payable to the federal government relative to its \$19,903,000 School Bonds dated March 30, 2022. There is no short-term portion of the arbitrage rebate payable; therefore, \$300,000 is the long-term portion and will be liquidated through the Debt Service Fund.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

<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 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.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

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.

District contributions to PERS amounted to \$373,113 for the current fiscal year. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$12,610 to the PERS for normal pensions benefits on behalf of the District.

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

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be 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 under the legislation 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 statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

Pension Liabilities and Pension Expense

At June 30, 2024, the District's liability was \$4,043,545 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. 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, 2023, the District's proportion was 0.027%, which was an increase of 0.0002% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized an actual pension benefit in the amount of \$64,624 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$12,610 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2019	5.21		\$ 21,964
	2020	5.16		199,855
	2021	5.13	\$ 8,883	
	2022	5.04		23,237
	2023	5.08		
			<u>8,883</u>	<u>245,056</u>
Changes in Proportion	2019	5.21	22,914	
	2020	5.16		124,658
	2021	5.13		288,595
	2022	5.04	21,298	
	2023	5.08	342,992	
			<u>387,204</u>	<u>413,253</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	62,619	
	2021	5.00	(520,774)	
	2022	5.00	619,595	
	2023	5.00	(142,819)	
			<u>18,621</u>	
Difference Between Expected and Actual Experience	2019	5.21	1,678	
	2020	5.16	11,135	
	2021	5.13		7,064
	2022	5.04		9,465
	2023	5.08	25,848	
			<u>38,661</u>	<u>16,529</u>
District Contribution Subsequent to the Measurement Date	2023	1.00	447,736	
			<u>\$ 901,105</u>	<u>\$ 674,838</u>

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:

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

Fiscal Year Ending June 30,	Total
2024	\$ (213,485)
2023	(119,159)
2026	166,516
2027	(29,800)
2028	507
	<u>\$ (195,420)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. 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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments 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, 2023 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	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. 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, 2023 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, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 5,263,835	\$ 4,043,545	\$ 3,004,917

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 can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

Service retirement benefits of $1/55^{\text{th}}$ 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 $1/60^{\text{th}}$ 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 2023, 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. 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 2024, the State of New Jersey contributed \$2,761,862 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$769,034.

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

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was \$31,303,406. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. 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, 2023, the District's proportion was 0.061%, which was an increase of 0.001% from its proportion measured as of June 30, 2022.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. 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

District's Proportionate Share of the Net Pension Liability	\$ - 0 -
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>31,303,406</u>
Total	<u><u>\$ 31,303,406</u></u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$769,034 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements. 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	2016	8.30	\$ 391,340,712	
	2017	8.30		\$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	82,066,487	
	2023	7.93		
			<u>1,278,925,078</u>	<u>14,657,999,241</u>
Difference Between Expected and Actual Experience	2016	8.30		4,866,656
	2017	8.30	37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	169,161,907	
			<u>658,340,412</u>	<u>83,374,071</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	241,395,539	
	2021	5.00	(1,777,316,905)	
	2022	5.00	2,489,500,994	
	2023	6.00	(477,296,442)	
			<u>476,283,186</u>	
			<u><u>\$ 2,413,548,676</u></u>	<u><u>\$ 14,741,373,312</u></u>

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. 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
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	56,606,524
	<u>\$ (12,327,824,636)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. 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 – 4.25% 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. 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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District 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, 2023 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, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 36,912,396	\$ 31,303,406	\$ 26,579,303

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$40,271 for the fiscal year ended June 30, 2024. Employee contributions to DCRP amounted to \$53,830 for the fiscal year ended June 30, 2024.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). 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 Board offers several plan administrators for its employees to utilize.

AXA Equitable	VALIC
Lincoln Investment Planning	Vanguard Small Business

NOTE 11. 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. Health Benefits are provided to the employees through the State of New Jersey Health Benefits Plan.

Property and Liability

The District is a member of the School Alliance Insurance Fund (“SAIF”). This public entity risk management pool provided general liability, property and automobile coverage and workers’ compensation for its members. 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 public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the 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.

As of the date of this report, the SAIF’s June 30, 2024 audit is not available. Selected, summarized financial information for the SAIF as of June 30, 2023 is as follows:

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

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

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

School Alliance Insurance Fund
51 Everett Drive, Suite 40-B
West Windsor, NJ 08550
(609) 275-1155
www.saifund.com

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of the employee contributions and interest, reimbursements to the State for benefits paid and the ending balance of the District's restricted Unemployment Compensation Fund balance in the General Fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023-2024	\$ 44,270	\$ 34,190	\$ 121,609
2022-2023	47,774	52,905	111,529
2021-2022	51,833	35,513	116,660

NOTE 12. 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, August 1 and November 1. A ten- day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Mendham Township School District for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. 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 year in the advertised recapitulation of balances of the subsequent 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 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 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 year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent 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, 2023 to June 30, 2024 fiscal year is as follows:

Balance at June 30, 2023	\$ 926,840
Interest Earnings	31,184
Budgeted Withdrawal	<u>(200,000)</u>
Balance at June 30, 2024	<u>\$ 758,024</u>

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 15. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental and Business-Type activities as of June 30, 2024 consisted of the following:

	Governmental Funds	Total	District Contribution	Total	Business-Type Activities
	General Fund	Governmental Funds	Subsequent to the Measurement Date	Governmental Activities	Proprietary Funds
Vendors	\$ 40,641	\$ 40,641		\$ 40,641	\$ 1,100
Payroll Deductions and Withholdings	8,253	8,253		8,253	
Accrued Salaries and Wages	507	507		507	
State of New Jersey			\$ 447,736	447,736	
	<u>\$ 49,401</u>	<u>\$ 49,401</u>	<u>\$ 447,736</u>	<u>\$ 497,137</u>	<u>\$ 1,100</u>

NOTE 16. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2024:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 310,366	\$ 1,549
Special Revenue Fund		309,371
Capital Projects Fund		763,969
Debt Service Fund	762,974	
Food Service Enterprise Fund	1,549	
	<u>\$ 1,074,889</u>	<u>\$ 1,074,889</u>

The interfund receivable in the General Fund represents funds advanced to the Special Revenue Fund while awaiting the collection of grants receivable and interest due from the Capital Projects Fund. The interfund receivable in the Debt Service Fund is interest earned in the Capital Projects Fund to be transferred to the Debt Service Fund. The interfund receivable in the Food Service Enterprise Fund is a prior year interfund from the General Fund that was not repaid by the end of the current year.

NOTE 17. COMMITMENTS AND CONTINGENCIES

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 terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 17. COMMITMENTS AND CONTINGENCIES (Cont'd)

Litigation

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

Encumbrances

At June 30, 2024, there were encumbrances in the District's General Fund – Governmental Funds as detailed below. All of the governmental funds are considered to be major funds.

General Fund	Capital Projects Fund	Total Governmental Funds
<u> </u>	<u> </u>	<u> </u>
\$ 665,977	\$ 2,946,060	\$ 3,612,037
<u> </u>	<u> </u>	<u> </u>

The \$2,946,060 of year end encumbrances in the Capital Projects Fund are included in the \$16,077,638 restricted fund balance.

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.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

Plan Description and Benefits Provided (Cont'd)

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP).

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits 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>.

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Retirees, Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	152,383
Active Plan Members	<u>217,212</u>
Total	<u><u>369,595</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

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.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

Actuarial Assumptions and Other Inputs (Cont'd)

	<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 June 30, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active employees are considered to participate in the Plan upon retirement.

Mortality Rates

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven 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 3.65%. 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.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

Changes in the State's Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 29,009,570
Changes for Year:	
Service Cost	1,284,162
Interest on the Total OPEB Liability	1,071,186
Difference between Actual and Expected Experience	(203,457)
Changes in Assumptions	61,304
Gross Benefit Payments by the State	(835,007)
Contributions from Members	<u>27,451</u>
Net Changes	<u>1,405,639</u>
Balance at June 30, 2023	<u><u>\$ 30,415,209</u></u>

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, 2023, 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:

	<u>June 30, 2023</u>		
	<u>At 1% Decrease (2.65%)</u>	<u>At Discount Rate (3.65%)</u>	<u>At 1% Increase (4.65%)</u>
Total OPEB Liability Attributable to the District	\$ 35,656,611	\$ 30,415,209	\$ 26,206,972

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, 2023, 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:

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate (Cont'd)

	June 30, 2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 25,249,313	\$ 30,415,209	\$ 37,174,798

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

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, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources.

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 1,095,976
	2018	9.51		1,134,432
	2019	9.29	\$ 166,893	
	2020	9.24	4,080,252	
	2021	9.24	23,223	
	2022	9.13		6,163,103
	2023	9.30	54,713.00	
			<u>4,325,081</u>	<u>8,393,511</u>
Differences between Expected and Actual Experience	2018	9.51		1,072,391
	2019	9.29		1,964,338
	2020	9.24	3,802,955	
	2021	9.24		4,466,072
	2022	9.13	634,711	
	2023	9.30		508,261
			<u>4,437,666</u>	<u>8,011,062</u>
Changes in Proportion	N/A	N/A	1,728,207	408,839
			<u>\$ 10,490,954</u>	<u>\$ 16,813,412</u>

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding changes in proportion) will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2024	\$ (1,516,778)
2025	(1,516,777)
2026	(1,318,293)
2027	(777,216)
2028	(159,087)
Thereafter	<u>(2,353,677)</u>
	<u><u>\$ (7,641,828)</u></u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

MENDHAM TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's Proportion of the Net Pension Liability	0.0252628146%	0.0271968536%	0.0289757023%	0.0275596801%	0.0283090916%	0.0308185797%	0.0283556034%	0.0251685523%	0.0253543080%	0.0279166023%
District's Proportionate Share of the Net Pension Liability	\$ 4,729,890	\$ 6,105,149	\$ 8,581,772	\$ 6,415,453	\$ 5,573,919	\$ 5,553,041	\$ 4,624,057	\$ 2,981,592	\$ 3,826,314	\$ 4,043,545
District's Covered Employee Payroll	\$ 1,980,806	\$ 1,980,806	\$ 1,860,159	\$ 1,947,394	\$ 1,941,846	\$ 2,064,194	\$ 1,933,563	\$ 1,836,332	\$ 1,968,911	\$ 1,909,102
District's Proportionate Share of the Net Pension Liability as a % of its Covered Employee Payroll	238.79%	308.22%	461.35%	329.44%	287.04%	269.02%	239.15%	162.37%	194.34%	211.80%
Plan Fiduciary Net Position as a % of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

MENDHAM TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 208,263	\$ 233,820	\$ 257,416	\$ 257,758	\$ 294,519	\$ 332,591	\$ 355,690	\$ 294,753	\$ 319,745	\$ 373,113
Contributions in relation to the Contractually Required Contribution	(208,263)	(233,820)	(257,416)	(257,758)	(294,519)	(332,591)	(355,690)	(294,753)	(319,745)	(373,113)
Contribution Deficiency/(Excess)	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -
District's Covered Employee Payroll	\$ 1,980,806	\$ 1,860,159	\$ 1,947,394	\$ 1,941,846	\$ 2,064,194	\$ 1,933,563	\$ 1,836,332	\$ 1,968,911	\$ 1,909,102	\$ 1,934,316
Contributions as a percentage of Covered Employee Payroll	10.51%	12.57%	13.22%	13.27%	14.27%	17.20%	19.37%	14.97%	16.75%	19.29%

MENDHAM TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATES PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State's proportion of the Net Pension Liability attributable to the District	0.0650455218%	0.0632541340%	0.0635981239%	0.0614446201%	0.0607820632%	0.0595930953%	0.0630535908%	0.0618675715%	0.0600936302%	0.0613399346%
State's proportionate share of the Net Pension Liability attributable to the District	\$ 34,764,714	\$ 39,979,314	\$ 50,030,334	\$ 41,428,178	\$ 38,668,243	\$ 36,572,847	\$ 41,520,031	\$ 29,742,952	\$ 31,004,957	\$ 31,303,406
District's Covered Employee Payroll	\$ 6,281,501	\$ 6,281,501	\$ 6,234,653	\$ 6,326,583	\$ 6,313,240	\$ 6,616,454	\$ 6,759,313	\$ 6,929,740	\$ 7,378,988	\$ 8,137,452
State's proportionate share of the Net Pension Liability attributable to the District as a % of its Covered Employee Payroll	553.45%	636.46%	802.46%	654.83%	612.49%	552.76%	614.26%	429.21%	420.18%	384.68%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	33.64%	28.71%	22.23%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%

MENDHAM TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S CONTRIBUTIONS ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023
Contractually Required Contribution	\$ 1,870,668	\$ 2,441,097	\$ 3,759,083	\$ 2,869,934	\$ 2,254,224	\$ 2,157,164	\$ 2,581,892	\$ 699,865	\$ 834,430	\$ 769,034
Contributions in relation to the Contractually Required Contribution	(319,023)	(485,030)	(666,965)	(895,105)	(1,172,052)	(1,383,006)	(1,798,416)	(2,473,848)	(2,507,614)	(2,761,862)
Contribution Deficiency/(Excess)	<u>\$ 1,551,645</u>	<u>\$ 1,956,067</u>	<u>\$ 3,092,118</u>	<u>\$ 1,974,829</u>	<u>\$ 1,082,172</u>	<u>\$ 774,158</u>	<u>\$ 783,476</u>	<u>\$ (1,773,983)</u>	<u>\$ (1,673,184)</u>	<u>\$ (1,992,828)</u>
District's Covered Employee Payroll	\$ 6,281,501	\$ 6,234,653	\$ 6,326,583	\$ 6,313,240	\$ 6,616,454	\$ 6,759,313	\$ 6,929,740	\$ 7,378,988	\$ 8,137,452	\$ 8,431,206
Contributions as a percentage of Covered Employee Payroll	5.08%	7.78%	10.54%	14.18%	17.71%	20.46%	25.95%	33.53%	30.82%	32.76%

MENDHAM TOWNSHIP 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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability:							
Service Cost	\$ 1,371,021	\$ 1,141,866	\$ 1,017,780	\$ 1,103,254	\$ 1,964,589	\$ 1,662,789	\$ 1,284,162
Interest Cost	932,769	1,085,666	1,008,930	837,996	877,872	768,786	1,071,186
Changes in Benefit Terms					(36,020)		
Changes in Assumptions	(3,821,120)	(2,914,147)	345,392	7,104,573	33,387	(7,782,077)	61,304
Differences between Expected and Actual Experience		(2,772,223)	(3,911,619)	7,339,662	(7,223,601)	1,256,126	(203,457)
Member Contributions	25,168	23,469	21,079	20,523	22,443	24,429	27,451
Gross Benefit Payments	(683,489)	(679,040)	(711,096)	(677,110)	(691,517)	(761,505)	(835,007)
Net Change in Total OPEB Liability	(2,175,651)	(4,114,409)	(2,229,534)	15,728,898	(5,052,847)	(4,831,452)	1,405,639
Total OPEB Liability - Beginning	31,684,565	29,508,914	25,394,505	23,164,971	38,893,869	33,841,022	29,009,570
Total OPEB Liability - Ending	<u>\$ 29,508,914</u>	<u>\$ 25,394,505</u>	<u>\$ 23,164,971</u>	<u>\$ 38,893,869</u>	<u>\$ 33,841,022</u>	<u>\$ 29,009,570</u>	<u>\$ 30,415,209</u>
State's Covered Employee Payroll *	\$ 8,273,977	\$ 8,255,086	\$ 8,680,648	\$ 8,692,876	\$ 8,766,072	\$ 9,347,899	\$ 10,046,554
Total OPEB Liability as a Percentage of Covered Employee Payroll	357%	308%	267%	447%	386%	310%	303%

* - Covered payroll for the fiscal years ending June 30, 2017, June 30, 2018, June 30, 2019, June 30, 2020, June 30, 2021, June 30, 2022 and June 30, 2023 are based on the payroll on the June 30, 2016, June 30, 2017, June 30, 2018, June 30, 2019, June 30, 2020, June 30, 2021 and June 30, 2022 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.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

C. State Health Benefit Local Education Retired Employees OPEB Plan

State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 14.8% 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 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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.

BUDGETARY COMPARISON SCHEDULES

MENDHAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 17,949,755		\$ 17,949,755	\$ 17,949,755	
Tuition From Individuals	78,940		78,940	564,760	\$ 485,820
Transportation Fees From Other LEAs	1,450,000		1,450,000	1,717,128	267,128
Rents and Royalties	28,677		28,677	4,334	(24,343)
Unrestricted Miscellaneous Revenues	352,500		352,500	188,151	(164,349)
Interest Earned on Maintenance Reserve	125		125	31,184	31,059
Interest Earned on Capital Reserve Funds	125		125	28,811	28,686
Other Restricted Miscellaneous Revenues				10,079	10,079
Total Revenues from Local Sources	19,860,122		19,860,122	20,494,202	634,080
Revenues from State Sources:					
Categorical Transportation Aid	357,352		357,352	357,352	
Extraordinary Aid				413,471	413,471
Categorical Special Education Aid	841,518		841,518	841,518	
Categorical Security Aid	69,981		69,981	69,981	
Nonpublic Transportation Aid				41,860	41,860
TPAF Post Retirement Contributions (Non-Budgeted)				760,250	760,250.00
TPAF Pension Contributions (Non-Budgeted)				2,761,862	2,761,862.00
TPAF Non-Contributory Insurance (Non-Budgeted)				31,498	31,498.00
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,068	1,068.00
Reimbursed TPAF Social Security Contributions				601,837	601,837
Total Revenues from State Sources	1,268,851		1,268,851	5,880,697	4,611,846
TOTAL REVENUE	21,128,973		21,128,973	26,374,899	5,245,926

MENDHAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 259,300	\$ (64,737)	\$ 194,563	\$ 194,563	
Kindergarten - Salaries of Teachers	391,487	42,134	433,621	432,621	\$ 1,000
Grades 1-5 - Salaries of Teachers	2,582,955	(56,635)	2,526,320	2,524,319	2,001
Grades 6-8 - Salaries of Teachers	1,917,626	(289,235)	1,628,391	1,626,341	2,050
Regular Programs - Home Instruction:					
Salaries of Teachers	3,500	(2,434)	1,066	1,066	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	144,725	(90,599)	54,126	54,124	2
Purchased Professional-Educational Services	71,453	376,725	448,178	448,178	
Purchased Technical Services	5,000	(4,300)	700	700	
Other Purchased Services (400-500 series)	175,000	230,635	405,635	356,255	49,380
General Supplies	455,937	84,009	539,946	391,023	148,923
Textbooks	15,000	(15,000)			
Other Objects	1,000	(1,000)			
Total Regular Programs - Instruction	6,022,983	209,563	6,232,546	6,029,190	203,356
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	67,925	20,955	88,880	88,880	
Purchased Professional-Educational Services	89,500	(11,785)	77,715	77,715	
General Supplies	24,582	477	25,059	23,032	2,027
Total Learning and/or Language Disabilities	182,007	9,647	191,654	189,627	2,027

MENDHAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	\$ 1,276,265	\$ (59,308)	\$ 1,216,957	\$ 1,216,956	\$ 1
Other Salaries for Instruction	202,401	(65,934)	136,467	136,466	1
General Supplies	1,644	732	2,376	76	2,300
Total Resource Room/Resource Center	1,480,310	(124,510)	1,355,800	1,353,498	2,302
Preschool Disabilities - Full-Time:					
Salaries of Teachers	160,125	55,525	215,650	215,650	
Other Salaries for Instruction	29,660	(750)	28,910	28,910	
Purchased Professional-Educational Services	190,840	(91,097)	99,743	99,743	
General Supplies	6,293	795	7,088	7,085	3
Total Preschool Disabilities - Full-Time	386,918	(35,527)	351,391	351,388	3
Home Instruction:					
Salaries of Teachers	3,500	(2,270)	1,230	1,230	
Other Purchased Services (400-500 series)	5,000	(5,000)			
Total Home Instruction	8,500	(7,270)	1,230	1,230	
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,057,735	(157,660)	1,900,075	1,895,743	4,332
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	254,525	2,415	256,940	256,938	2
General Supplies	500	(500)			
Total Basic Skills/Remedial - Instruction	255,025	1,915	256,940	256,938	2

MENDHAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 5,671	\$ (5,671)			
Total Bilingual Education - Instruction	5,671	(5,671)			
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	137,864	(27,554)	\$ 110,310	\$ 110,309	\$ 1
Purchased Services (300-500 series)	910	(790)	120	120	
Supplies and Materials	9,749	13,419	23,168	16,267	6,901
Other Objects	4,550	980	5,530	5,525	5
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	153,073	(13,945)	139,128	132,221	6,907
School-Sponsored Athletics - Instruction:					
Salaries	65,593	(20,810)	44,783	44,783	
Purchased Services (300-500 series)	21,735	10,600	32,335	32,284	51
Supplies and Materials	11,634	27,770	39,404	39,404	
Other Objects	2,065	10,140	12,205	12,202	3
Total School-Sponsored Athletics - Instruction	101,027	27,700	128,727	128,673	54
Summer School - Instruction:					
Salaries of Teachers	27,100	(5,184)	21,916	21,916	
Other Salaries of Instruction	10,500	(6,820)	3,680	3,679	1
Purchased Professional & Technical Services	30,250	(14,643)	15,607	15,606	1
Total Summer School - Instruction	67,850	(26,647)	41,203	41,201	2
TOTAL INSTRUCTION	8,663,364	35,255	8,698,619	8,483,966	214,653

MENDHAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	\$ 196,040	\$ (134,224)	\$ 61,816	\$ 42,131	\$ 19,685
Tuition to Priv. Sch. for the Handicap. W/I State	299,194	85,895	385,089	385,089	
Total Undistributed Expenditures - Instruction	495,234	(48,329)	446,905	427,220	19,685
Undistributed Expend. - Attend. & Social Work:					
Salaries	56,780	8,300	65,080	65,079	1
Purchased Professional and Technical Services	13,200	(4,851)	8,349	8,348	1
Other Purchased Services (400-500 series)	21,599	(7,453)	14,146	14,142	4
Supplies and Materials	500	382	882		882
Total Undist. Expend. - Attendance and Social Work	92,079	(3,622)	88,457	87,569	888
Undistributed Expenditures - Health Services:					
Salaries	137,425	2,232	139,657	139,657	
Purchased Professional and Technical Services	10,050	11,720	21,770	21,770	
Other Purchased Services (400-500 series)	2,127	(1,607)	520	518	2
Supplies and Materials	6,850	14,707	21,557	21,556	1
Total Undist. Expenditures - Health Services	156,452	27,052	183,504	183,501	3
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	162,700	\$ (49,765)	112,935	112,935	
Purchased Professional - Educational Services	15,000	71,026	86,026	84,926	1,100
Supplies and Materials	1,000	(265)	735	708	27
Total Undist. Expend. - Speech, OT, PT, Related Svcs	178,700	20,996	199,696	198,569	1,127

MENDHAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	\$ 110,977	\$ (37,345)	\$ 73,632	\$ 73,632	
Purchased Professional - Educational Services	189,640	152,512	342,152	342,151	\$ 1
Supplies and Materials	2,396	9,195	11,591	11,588	3
Total Undist. Expend. - Other Supp. Srvs. Students - Extra. Serv.	303,013	124,362	427,375	427,371	4
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	199,965	3,100	203,065	203,065	
Salaries of Secretarial and Clerical Assistants	56,314	(1,101)	55,213	55,212	1
Purchased Professional - Educational Services	1,070	(354)	716	716	
Other Purchased Services (400-500 series)	16,916	(3,510)	13,406	13,402	4
Supplies and Materials	7,052	(954)	6,098	6,096	2
Other Objects	150	(150)			
Total Undist Expend. - Guidance	281,467	(2,969)	278,498	278,491	7
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	375,529	23,432	398,961	398,960	1
Salaries of Secretarial and Clerical Assistants	52,888		52,888	52,888	
Other Purchased Prof. and Tech. Services	5,000	7,694	12,694	12,692	2
Other Purchased Services (400-500 series)	9,850	(1,196)	8,654	8,638	16
Supplies and Materials	6,000	1,973	7,973	7,972	1
Other Objects	1,195	15	1,210	1,210	
Total Undist Expend. - Child Study Team	450,462	31,918	482,380	482,360	20

MENDHAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Other Professional Staff	\$ 219,641	\$ (218)	\$ 219,423	\$ 219,422	\$ 1
Other Salaries	8,000	4,600	12,600	12,600	
Purchased Professional - Educational Services	5,000	(530)	4,470	4,470	
Other Purchased Services (400-500 series)		17,990	17,990	17,990	
Supplies and Materials	3,774	(679)	3,095	3,095	
Total Undist. Expend.-Improv. of Inst. Serv.	297,315	(8,837)	288,478	288,477	1
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	179,600	(937)	178,663	178,663	
Salaries of Technology Coordinators	123,169		123,169	123,169	
Purchased Professional and Technical Services	5,832	(590)	5,242	5,237	5
Other Purchased Services (400-500 series)	8,929	(8,063)	866	866	
Supplies and Materials	19,625	440	20,065	20,064	1
Total Undist Expend-Edu. Media Serv./Sch. Library	337,155	(9,150)	328,005	327,999	6
Undist.Expend.-Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	9,000	3,890	12,890	12,889	1
Total Undist.Expend.-Instructional Staff Training Services	9,000	3,890	12,890	12,889	1

MENDHAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	\$ 363,048	\$ (63)	\$ 362,985	\$ 362,985	
Legal Services	35,035	17,821	52,856	52,855	\$ 1
Audit Fees	30,500	11,500	42,000	42,000	
Architectural/Engineering Services	44,543	(37,742)	6,801	6,800	1
Other Purchased Professional Services	15,125	18,175	33,300	31,300	2,000
Communications / Telephone	45,552	39,827	85,379	82,779	2,600
BOE Other Purchased Services	5,100	(795)	4,305	4,305	
Other Purch. Serv. (400-500 series other than 530 & 585)	9,720	5,802	15,522	15,522	
General Supplies	5,835	(4,013)	1,822	1,822	
BOE In-house training/ Meeting Supplies	500	(500)			
Miscellaneous Expenditures	7,010	3,946	10,956	10,485	471
BOE Membership Dues and Fees	7,700	1,243	8,943	8,943	
Total Undist. Expend.-Support Serv.-Gen. Admin.	569,668	55,201	624,869	619,796	5,073
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	352,552	8,033	360,585	360,582	3
Salaries of Other Professional Staff	32,095	(1,040)	31,055	31,053	2
Salaries of Secretarial and Clerical Assistants	113,094	5,002	118,096	118,095	1
Purchased Professional and Technical Services	3,369	(1,563)	1,806	1,806	
Other Purchased Services (400-500 series)	8,000	(2,950)	5,050	5,050	
Supplies and Materials	10,028	(5,687)	4,341	4,340	1
Other Objects	3,010		3,010	2,979	31
Total Undist. Expend.-Support Serv.-School Adm.	522,148	1,795	523,943	523,905	38

MENDHAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 256,999	\$ 16,449	\$ 273,448	\$ 273,447	\$ 1
Purchased Professional Services	26,267	8,137	34,404	34,404	30
Miscellaneous Purchased Services (400-500 series other than 594)	4,000		4,000	3,970	30
Supplies and Materials	6,052	(2,011)	4,041	4,040	1
Other Objects	2,200	(216)	1,984	1,984	
Total Undist. Expend. - Central Services	295,518	22,359	317,877	317,845	32
Undist. Expend. - Admin. Info. Technology:					
Other Purchased Services (400-500 series)	9,674	(3,346)	6,328	6,328	
Supplies and Materials	4,000	(4,000)			
Total Undist. Expend. - Admin. Info. Technology	13,674	(7,346)	6,328	6,328	
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	146,758	(908)	145,850	145,850	
Cleaning, Repair, and Maintenance Services	271,647	(7,020)	264,627	214,142	50,485
General Supplies	128,597	(10,301)	118,296	47,821	70,475
Total Undist. Expend.- Required Maint. for School Facilities	547,002	(18,229)	528,773	407,813	120,960

MENDHAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 611,025	\$ 20,086	\$ 631,111	\$ 631,110	\$ 1
Purchased Professional and Technical Services	34,500	(8,753)	25,747	25,747	
Cleaning, Repair, and Maintenance Services	25,000	(13,952)	11,048	9,184	1,864
Other Purchased Property Services	32,040	7,253	39,293	39,293	
Insurance	140,372	53,818	194,190	194,189	1
Miscellaneous Purchased Services	5,000	(2,870)	2,130	2,130	
General Supplies	47,400	35,798	83,198	82,508	690
Energy (Natural Gas)	53,557	15,857	69,414	69,414	
Energy (Electricity)	268,458	(106,041)	162,417	162,407	10
Energy (Gasoline)	6,000	(2,682)	3,318	3,317	1
Other Objects	960	(304)	656	655	1
Total Undist. Expend.-Custodial Services	1,224,312	41,285	1,265,597	1,263,029	2,568
Care and Upkeep of Grounds:					
Salaries	93,116	(30,965)	62,151	62,150	1
Cleaning, Repair, and Maintenance Services	23,926	4,040	27,966	27,966	
General Supplies	102,812	8,880	111,692	108,041	3,651
Total Care And Upkeep Of Grounds	219,854	(18,045)	201,809	198,157	3,652

MENDHAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Security:					
Purchased Professional and Technical Services	\$ 3,000	\$ 15,578	\$ 18,578	\$ 18,578	
Cleaning, Repair, and Maintenance Services	3,000	(1,925)	1,075	1,075	
General Supplies	3,000	7,233	10,233	10,232	\$ 1
Total Security	9,000	20,886	29,886	29,885	1
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	2,000,168	25,897	2,026,065	1,898,884	127,181
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.	1,336,615	(8,382)	1,328,233	1,328,232	1
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.	191,898	(4,635)	187,263	187,262	1
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	104,428	(89,637)	14,791	14,790	1
Sal. For Pupil Trans. (Bet. Home & Sch) Non Public	38,534	(950)	37,584	37,584	
Management Fee - ESC&CTSA Transportation Program	4,200	(2,042)	2,158	2,157	1
Cleaning, Repair, and Maint. Services	561,508	(57,685)	503,823	503,821	2
Lease Purchase Payments - School Buses	183,154	483,631	666,785	417,606	249,179
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	96,533	13,417	109,950	109,950	
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	1,000	(1,000)			
Contract. Serv.(Reg. Students)-ESCs & CTSA's	16,157	(14,308)	1,849	1,848	1
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA's	131,174	(98,115)	33,059	33,057	2
Misc. Purchased Serv. - Transportation	17,632	22,677	40,309	40,133	176
Transportation Supplies	197,906	(23,570)	174,336	174,336	
Other Objects	4,500	2,373	6,873	6,872	1
Total Undist. Expend.-Student Trans. Serv.	2,885,239	221,774	3,107,013	2,857,648	249,365

MENDHAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ALLOCATED BENEFITS					
Regular Programs - Instruction:					
Social Security Contributions	\$ 380,053	\$ (42,294)	\$ 337,759	\$ 337,759	
Tuition Reimbursement	60,000	32,846	92,846	92,846	
Total Regular Programs - Instruction	440,053	(9,448)	430,605	430,605	
TOTAL ALLOCATED BENEFITS	440,053	(9,448)	430,605	430,605	
UNALLOCATED BENEFITS					
Other Retirement Contributions - PERS	345,429	27,684	373,113	373,113	
Other Retirement Contributions - Regular	39,878	394	40,272	40,271	\$ 1
Unemployment Compensation	10,000	(394)	9,606		9,606
Workers Compensation	200,370	(48,805)	151,565	140,265	11,300
Health Benefits	3,269,827	(375,953)	2,893,874	2,857,928	35,946
Other Employee Benefits	888,840	(101,430)	787,410	768,295	19,115
TOTAL UNALLOCATED BENEFITS	4,754,344	(498,504)	4,255,840	4,179,872	75,968
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				760,250	(760,250)
TPAF Pension Contributions (Non-Budgeted)				2,761,862	(2,761,862)
TPAF Non-Contributory Insurance (Non-Budgeted)				31,498	(31,498)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,068	(1,068)
Reimbursed TPAF Social Security Contributions				601,837	(601,837)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				4,156,515	(4,156,515)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 5,194,397	\$ (507,952)	\$ 4,686,445	8,766,992	(4,080,547)
TOTAL UNDISTRIBUTED EXPENDITURES	14,081,689	(52,961)	14,028,728	17,705,844	(3,677,116)
TOTAL GENERAL CURRENT EXPENSE	22,745,053	(17,706)	22,727,347	26,189,810	(3,462,463)

MENDHAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Undistributed:					
Undist. Expend. - Required Maint for School Fac.	\$ 57,000	\$ 17,024	\$ 74,024	\$ 42,682	\$ 74,024
School Buses - Special		42,682	42,682		
Undistributed Expenditures - Non-Inst. Serv.	42,000	(42,000)			
Total Equipment	99,000	17,706	116,706	42,682	74,024
Facilities Acquisition and Construction Serv.:					
Assessment for Debt Service on SDA Funding	61,715		61,715	61,715	
Total Facilities Acquisition and Const. Serv.	61,715		61,715	61,715	
TOTAL CAPITAL OUTLAY	160,715	17,706	178,421	104,397	74,024
TOTAL EXPENDITURES	22,905,768		22,905,768	26,294,207	(3,388,439)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ (1,776,795)		\$ (1,776,795)	\$ 80,692	\$ 1,857,487
Fund Balance, July 1	6,994,283		6,994,283	6,994,283	
Fund Balance, June 30	\$ 5,217,488	\$ - 0 -	\$ 5,217,488	\$ 7,074,975	\$ 1,857,487

MENDHAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2025-2026				\$ 992,589	
Excess Surplus - Restricted For 2024-2025				1,034,162	
Capital Reserve				2,604,529	
Maintenance Reserve				758,024	
Unemployment Compensation				121,609	
Assigned Fund Balance:					
Year End Encumbrances				665,977	
Unassigned Fund Balance				898,085	
				<u>7,074,975</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(119,613)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,955,362</u>	

MENDHAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 25,000	\$ 124,052	\$ 149,052	\$ 175,272	\$ 26,220
Federal Sources	130,000	567,891	697,891	498,384	(199,507)
Total Revenues	155,000	691,943	846,943	673,656	(173,287)
EXPENDITURES:					
Instruction:					
Salaries of Teachers		62,530	62,530	51,010	11,520
Purchased Professional and Technical Services	10,000	(85)	9,915	9,915	
Tuition	120,000	49,444	169,444	169,444	
General Supplies		167,935	167,935	107,173	60,762
Total Instruction	130,000	279,824	409,824	337,542	72,282
Support Services:					
Personal Services - Employee Benefits		17,303	17,303	12,119	5,184
Purchased Professional and Technical Services		109,245	109,245	75,435	33,810
Other Purchased Professional Services		16,675	16,675	16,675	
Supplies and Materials		120,529	120,529	64,261	56,268
Other Objects		9,462	9,462		9,462
Student Activities	25,000	116,404	141,404	141,404	
Total Support Services	25,000	389,618	414,618	309,894	104,724
Facilities Acquisition and Construction Services:					
Instructional Equipment		22,501	22,501		22,501
Total Facilities Acquisition and Construction Services		22,501	22,501		22,501
Total Expenditures	\$ 155,000	\$ 691,943	\$ 846,943	\$ 647,436	\$ 199,507
Excess/(Deficit) of Revenue Over/(Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 26,220	\$ 26,220

MENDHAM TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 26,374,899	\$ 673,656
Differences - Budget to GAAP:		
Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not:		
Prior Year Encumbrances		146,005
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Statements	99,251	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(119,613)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and and Changes in Fund Balances - Governmental Funds	<u>\$ 26,354,537</u>	<u>\$ 819,661</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 26,294,207	\$ 647,436
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Prior Year Encumbrances		146,005
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 26,294,207</u>	<u>\$ 793,441</u>

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, 2024 was submitted to the County office and are 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. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis except for student activities. 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 the GAAP revenue due to a difference in recognition of the June state aid payments for the current year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

MENDHAM TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	I.D.E.A. Part B		CRRSA		ARP		Elementary and		ARP		Local	
	Basic	Preschool	Non-Title I		NJ High Impact Tutoring		Secondary Education Act Title II - Part A		Non-Title I		Grants	
REVENUES:												
Local Sources												
Federal Sources	\$ 183,271	\$ 9,915	\$ 97,263		\$ 38,000		\$ 8,473		\$ 29,202		\$ 7,648	
Total Revenues	183,271	9,915	97,263		38,000		8,473		29,202		7,648	
EXPENDITURES:												
Instruction:												
Salaries of Teachers						29,010						
Purchased Professional and Technical Services				9,915								
Tuition	169,444					3,071				29,202		
General Supplies												
Total Instruction	169,444	9,915	43,729		32,081				29,202			
Support Services:												
Personal Services - Employee Benefits						2,219						
Purchased Professional and Technical Services						3,700	8,473				2,500	
Other Purchased Professional Services	13,827										2,848	
Supplies and Materials											2,300	
Student Activities												
Total Support Services	13,827		53,534		5,919		8,473				7,648	
Total Expenditures	\$ 183,271	\$ 9,915	\$ 97,263		\$ 38,000		\$ 8,473		\$ 29,202		\$ 7,648	

MENDHAM TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ARP					Student Activities	Totals
	Learning Acceleration	Summer Learning	Beyond the School Day	Mental Health			
REVENUES:							
Local Sources							
Federal Sources	\$ 60,762	\$ 23,071	\$ 40,000	\$ 8,427	\$ 167,624	\$ 175,272	
Total Revenues	60,762	23,071	40,000	8,427	167,624	498,384	
						673,656	
EXPENDITURES:							
Instruction:							
Salaries of Teachers			22,000				51,010
Purchased Professional and Technical Services							9,915
Tuition							169,444
General Supplies		23,071	8,100				107,173
Total Instruction		23,071	30,100				337,542
Support Services:							
Personal Services - Employee Benefits			9,900				12,119
Purchased Professional and Technical Services	60,762						75,435
Other Purchased Professional Services							16,675
Supplies and Materials				8,427			64,261
Student Activities					141,404		141,404
Total Support Services	60,762		9,900	8,427	141,404		309,894
Total Expenditures	\$ 60,762	\$ 23,071	\$ 40,000	\$ 8,427	\$ 141,404	\$ 647,436	

CAPITAL PROJECTS FUND

MENDHAM TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Revenue and Other Financing Sources:	
Interest on Investments	\$ 601,508
	<hr/>
Total Revenue and Other Financing Sources	601,508
	<hr/>
Expenditures:	
Purchased Professional and Technical Services	299,203
Construction Services	1,615,022
Other Objects	191,183
	<hr/>
Total Expenditures	2,105,408
	<hr/>
Other Financing Uses:	
Transfer Out - Debt Service Fund	301,508
	<hr/>
Total Other Financing Uses	301,508
	<hr/>
Excess/(Deficit) of Revenue Over/(Under) Expenditures and Other Financing Sources(Uses)	(1,805,408)
	<hr/>
Fund Balance - Beginning of Year	18,183,046
	<hr/>
Fund Balance - End of Year	\$ 16,377,638
	<hr/> <hr/>
<u>Recapitulation:</u>	
Restricted for Year-End Encumbrances	\$ 2,946,060
Restricted	13,131,578
Assigned	300,000
	<hr/>
Fund Balance per Governmental Funds Budgetary/GAAP Basis	\$ 16,377,638
	<hr/> <hr/>

MENDHAM TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
2022 REFERENDUM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Costs</u>
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 19,903,000		\$ 19,903,000	\$ 19,903,197
Total Revenue and Other Financing Sources	19,903,000		19,903,000	19,903,197
Expenditures:				
Legal Services	34,267		34,267	34,267
Purchased Professional and Technical Services	1,141,281	\$ 299,203	1,440,484	1,482,071
Construction Services	544,406	1,615,022	2,159,428	18,195,676
Other Objects		191,183	191,183	191,183
Total Expenditures	1,719,954	2,105,408	3,825,362	19,903,197
Excess of Revenue and Other Financing Sources over Expenditures	\$ 18,183,046	\$ (2,105,408)	\$ 16,077,638	\$ - 0 -

Additional Project Information:

Project Number	3100-XXX-21-XXXX
Grant Date	N/A
Bond Authorization Date	02/15/22
Bonds Authorized	\$ 19,903,197
Bonds Issued	\$ 19,903,000
Original Authorized Cost	\$ 19,903,197

Percentage Increase over Original Authorized Cost	0%
Percentage Completion	19%
Original Target Completion Date	06/30/24
Revised Target Completion Date	06/30/25

PROPRIETARY FUNDS

MENDHAM TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Non-Major Funds</u>		<u>Enterprise</u>
	<u>Middle School</u>	<u>Food</u>	<u>Funds</u>
	<u>Play</u>	<u>Service</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 12,945	\$ 39,201	\$ 52,146
Interfund Accounts Receivable		1,549	1,549
Inventories		11,092	11,092
Total Current Assets	12,945	51,842	64,787
Non-Current Assets:			
Capital Assets		164,682	164,682
Less: Accumulated Depreciation		(62,809)	(62,809)
Total Non-Current Assets		101,873	101,873
Total Assets	12,945	153,715	166,660
LIABILITIES:			
Current Liabilities:			
Accounts Payable - Vendors		1,100	1,100
Unearned Revenue - Prepaid Meals		15,906	15,906
Total Current Liabilities		17,006	17,006
NET POSITION:			
Investment in Capital Assets		101,873	101,873
Unrestricted	12,945	34,836	47,781
Total Net Position	\$ 12,945	\$ 136,709	\$ 149,654

MENDHAM TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Non-Major Funds</u>		<u>Enterprise</u>
	<u>Middle School</u>	<u>Food</u>	<u>Funds</u>
	<u>Play</u>	<u>Service</u>	<u>Total</u>
Operating Revenue:			
Local Sources:			
Daily Sales - Non-Reimbursable Meals		\$ 435,878	\$ 435,878
Charges for Services:			
Program Fees	\$ 19,802		19,802
Total Operating Revenue	19,802	435,878	455,680
Operating Expenses:			
Cost of Sales - Non-Reimbursable Programs		175,188	175,188
Salaries, Benefits & Payroll Taxes		184,112	184,112
Supplies, Insurance & Other Costs		34,190	34,190
Management Fee		29,662	29,662
Program Expenses	18,176		18,176
Depreciation Expense		4,961	4,961
Total Operating Expenses	18,176	428,113	446,289
Operating Income/(Loss)	1,626	7,765	9,391
Non-Operating Revenue:			
Local Sources:			
Interest Income	396	3,393	3,789
Total Non-Operating Revenue	396	3,393	3,789
Change in Net Position	2,022	11,158	13,180
Net Position - Beginning of Year	10,923	125,551	136,474
Net Position - End of Year	\$ 12,945	\$ 136,709	\$ 149,654

MENDHAM TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Non-Major Funds</u>		<u>Enterprise</u>
	<u>Middle School</u>	<u>Food</u>	<u>Funds</u>
	<u>Play</u>	<u>Service</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 19,802	\$ 436,440	\$ 456,242
Payments for Programs	(18,176)	(11,143)	(29,319)
Payments to Food Service Vendor		(414,799)	(414,799)
Net Cash Provided by/(Used for) Operating Activities	<u>1,626</u>	<u>10,498</u>	<u>12,124</u>
Cash Flows from Investing Activities:			
Local Sources:			
Interest Income	<u>396</u>	<u>3,393</u>	<u>3,789</u>
Net Cash Provided by Investing Activities	<u>396</u>	<u>3,393</u>	<u>3,789</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets		<u>(23,647)</u>	<u>(23,647)</u>
Net Cash Used for Capital and Related Financing Activities		<u>(23,647)</u>	<u>(23,647)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	2,022	(9,756)	(7,734)
Cash and Cash Equivalents, July 1	<u>10,923</u>	<u>48,957</u>	<u>59,880</u>
Cash and Cash Equivalents, June 30	<u>\$ 12,945</u>	<u>\$ 39,201</u>	<u>\$ 52,146</u>
Reconciliation of Operating Income/(Loss) to Net Cash			
Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ 1,626	\$ 7,765	\$ 9,391
Adjustment to Reconcile Operating Income/(Loss)			
to Cash Provided by/(Used for) Operating Activities:			
Depreciation		4,961	4,961
Changes in Assets and Liabilities:			
(Increase)/Decrease in Inventory		(3,890)	(3,890)
Increase/(Decrease) in Unearned Revenue		562	562
Increase/(Decrease) in Accounts Payable		<u>1,100</u>	<u>1,100</u>
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 1,626</u>	<u>\$ 10,498</u>	<u>\$ 12,124</u>

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

MENDHAM TOWNSHIP SCHOOL DISTRICT
LONG TERM LIABILITIES
STATEMENT OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance July 1, 2023	Retired or Matured	Balance June 30, 2024
			Date	June 30, 2024	Amount				
School Bonds, Series 2022	03/30/22	\$ 19,903,000	08/01/24	\$ 855,000		2.00%	\$ 19,903,000	\$ 1,033,000	\$ 18,870,000
			08/01/25	875,000		2.00%			
			08/01/26	885,000		2.00%			
			08/01/27	910,000		2.00%			
			08/01/28	925,000		2.00%			
			08/01/29	950,000		2.50%			
			08/01/30	970,000		2.50%			
			08/01/31	1,000,000		2.50%			
			08/01/32	1,025,000		2.50%			
			08/01/33	1,050,000		2.50%			
			08/01/34	1,075,000		2.50%			
			08/01/35	1,100,000		2.75%			
			08/01/36	1,125,000		2.75%			
			08/01/37	1,160,000		2.75%			
			08/01/38	1,200,000		2.75%			
			08/01/39	1,220,000		2.75%			
			08/01/40	1,255,000		2.75%			
			08/01/41	1,290,000		2.75%			
							\$ 19,903,000	\$ 1,033,000	\$ 18,870,000

MENDHAM TOWNSHIP SCHOOL DISTRICT
LONG-TERM LIABILITIES
STATEMENT OF OBLIGATIONS UNDER FINANCED PURCHASES

Purpose	Original Issue	Interest Rate	Balance July 1, 2023	Retired	Balance June 30, 2024
2019 BlueBird 54 Passenger Bus	\$ 188,500	2.190%	\$ 38,528	\$ 38,528	
2020 BlueBird 54 Passenger Bus	414,332	2.270%	167,826	82,971	\$ 84,855
			<u>\$ 206,354</u>	<u>\$ 121,499</u>	<u>\$ 84,855</u>

MENDHAM TOWNSHIP SCHOOL DISTRICT
LONG TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2023</u>	<u>Matured</u>	<u>Balance June 30, 2024</u>
2022 Savin Copier	3.45%	\$ 97,836	<u>\$ 72,137</u>	<u>\$ 19,068</u>	<u>\$ 53,069</u>
			<u>\$ 72,137</u>	<u>\$ 19,068</u>	<u>\$ 53,069</u>

MENDHAM TOWNSHIP SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED
INFORMATION TECHNOLOGY ARRANGEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

MENDHAM TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 921,744		\$ 921,744	\$ 921,744	
State Sources:					
Debt Service Aid Type II	628,524		628,524	628,524	
Total Revenues	1,550,268		1,550,268	1,550,268	
EXPENDITURES:					
Regular Debt Service:					
Interest	517,268		517,268	517,268	
Redemption of Principal	1,033,000		1,033,000	1,033,000	
Total Regular Debt Service	1,550,268		1,550,268	1,550,268	
Total Expenditures	1,550,268		1,550,268	1,550,268	
(Deficit) of Revenues (Under) Expenditures	- 0 -		- 0 -	- 0 -	
Other Financing Sources:					
Transfers In - Capital Projects Fund - Interest Earnings				301,508	\$ 301,508
Total Other Financing Sources				301,508	301,508
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures				301,508	301,508
Fund Balance, July 1	461,466		461,466	461,466	
Fund Balance, June 30	\$ 461,466	\$ - 0 -	\$ 461,466	\$ 762,974	\$ 301,508
<u>Recapitulation:</u>					
Restricted Fund Balance				\$ 762,974	

STATISTICAL SECTION
(UNAUDITED)

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

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

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net Investment in Capital Assets	\$ 12,026,347	\$ 12,714,846	\$ 13,002,974	\$ 11,393,587	\$ 12,166,320	\$ 12,533,521	\$ 12,719,795	\$ 13,148,798	\$ 13,495,176	\$ 13,535,271
Restricted	1,180,932	2,429,790	3,281,371	2,779,563	2,228,253	3,115,131	3,917,960	4,828,808	6,210,594	6,366,824
Unrestricted/(Deficit)	(4,921,355)	(5,876,520)	(5,810,621)	(6,089,767)	(6,129,919)	(6,229,393)	(4,789,486)	(4,096,711)	(4,087,010)	(3,431,712)
Total Governmental Activities	\$ 8,285,924	\$ 9,268,116	\$ 10,473,724	\$ 8,083,383	\$ 8,264,654	\$ 9,419,259	\$ 11,848,269	\$ 13,880,895	\$ 15,618,760	\$ 16,470,383
Business-Type Activities:										
Net Investment in Capital Assets	\$ 42,440	\$ 39,987	\$ 43,094	\$ 69,763	\$ 65,572	\$ 30,627	\$ 25,873	\$ 20,692	\$ 83,187	\$ 101,873
Unrestricted/(Deficit)	562,790	830,557	(143,118)	55,255	60,445	49,318	29,079	40,382	53,287	47,781
Total Business-Type Activities/(Deficit)	\$ 605,230	\$ 870,544	\$ (100,024)	\$ 125,018	\$ 126,017	\$ 79,945	\$ 54,952	\$ 61,074	\$ 136,474	\$ 149,654
District-Wide:										
Net Investment in Capital Assets	\$ 12,068,787	\$ 12,754,833	\$ 13,046,068	\$ 11,463,350	\$ 12,231,892	\$ 12,564,148	\$ 12,745,668	\$ 13,169,490	\$ 13,578,363	\$ 13,637,144
Restricted	1,180,932	2,429,790	3,281,371	2,779,563	2,228,253	3,115,131	3,917,960	4,828,808	6,210,594	6,366,824
Unrestricted/(Deficit)	(4,358,565)	(5,045,963)	(5,953,739)	(6,034,512)	(6,069,474)	(6,180,075)	(4,760,407)	(4,056,329)	(4,033,723)	(3,383,931)
Total District Net Position	\$ 8,891,154	\$ 10,138,660	\$ 10,373,700	\$ 8,208,401	\$ 8,390,671	\$ 9,499,204	\$ 11,903,221	\$ 13,941,969	\$ 15,755,234	\$ 16,620,037

Source: Mendham Township School District Financial records.

MENDHAM TOWNSHIP SCHOOL DISTRICT
CHANGE IN NET POSITION BY COMPONENT, LAST TEN FISCAL YEARS

UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 6,104,125	\$ 6,313,306	\$ 6,658,674	\$ 8,986,250	\$ 8,307,563	\$ 8,258,757	\$ 9,390,165	\$ 9,278,790	\$ 9,537,837	\$ 10,022,073
Special Education	1,364,647	1,492,497	1,594,096	2,777,430	2,633,503	2,821,994	2,793,433	2,826,426	2,672,645	3,081,049
Other Special Education	349,116	362,199	387,201							
Other Instruction	280,353	330,098	297,251	686,536	532,454	643,700	392,749	249,626	271,688	347,263
School - Sponsored Instruction				95,963	203,760	248,689	214,180	241,469	315,137	302,095
Support Services:										
Tuition	484,355	627,038	239,943	199,346	279,052	266,576	140,074	298,248	198,433	427,220
Student and Instruction Related Services	2,028,083	1,946,654	1,993,151	2,993,835	2,859,598	2,370,468	2,125,288	2,382,548	2,726,005	3,084,365
General Administrative Services	713,418	634,217	668,166	708,975	653,455	736,119	788,998	903,932	843,287	863,422
School Administrative Services	818,574	787,022	835,610	1,144,566	1,077,501	845,071	738,557	746,989	772,719	748,640
Central Services	304,689	293,257	278,549	433,729	434,052	479,544	512,226	498,016	467,854	497,565
Plant Operations and Maintenance	2,283,844	2,430,491	2,583,776	2,267,846	2,385,403	2,124,534	2,417,024	2,601,587	2,886,354	3,135,981
Pupil Transportation	2,696,545	2,641,080	2,619,195	2,256,004	2,365,703	2,310,152	2,441,564	3,040,053	3,032,201	3,414,710
Unallocated Employee Benefits	111,689	(44,112)	667,857							
Unallocated Depreciation				5,027	6,214	6,439	9,182	8,754	8,433	8,694
Charter Schools			50,360	20,954		17,930				
Capital Outlay				314,714	61,715	61,355	94,233	104,713	61,715	61,715
Interest on Long-Term Debt	333,386	302,485	270,936	244,899	191,521	146,157	111,711	196,441	549,079	784,847
Total Governmental Activities Expenses	17,872,824	18,116,232	19,144,765	23,136,074	21,991,494	21,337,485	22,169,384	23,377,592	24,343,387	26,779,639
Business-Type Activities:										
Food Service	375,445	292,935	280,416	316,065	319,648	240,837	84,740	259,798	368,030	426,487
Enrichment Program	98,249	32,517	24,908	26,235						
Preschool Program	204,221	38,636	2,964	104,165	336,623					
2 Year Old Program				85,311	95,613					
Middle School Play				26,178	47,526	10,678	3,720	38,759	21,674	19,802
Total Business-Type Activities Expense	677,915	364,088	308,288	446,465	799,410	251,515	88,460	298,557	389,704	446,289
Total District Expenses	\$ 18,550,739	\$ 18,480,320	\$ 19,453,053	\$ 23,582,539	\$ 22,790,904	\$ 21,589,000	\$ 22,257,844	\$ 23,676,149	\$ 24,733,091	\$ 27,225,928
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition		\$ 63,384	\$ 45,525	\$ 48,607	\$ 78,814	\$ 434,343	\$ 360,936	\$ 512,625	\$ 641,188	\$ 564,760
Student & Instruction Related Services							58,126	98,163	191,552	175,272
Plant Operations and Maintenance		11,759	12,729							
Pupil Transportation	\$ 791,999	740,743	809,489	810,909	951,006	1,196,293	1,336,001	1,668,389	2,011,938	1,717,128
Operating Grants and Contributions	1,527,454	1,789,617	1,863,123	6,207,991	5,099,924	4,376,337	5,048,280	4,845,720	4,247,959	4,740,899
Total Governmental Activities Program Revenues	2,319,453	2,605,503	2,730,866	7,067,507	6,129,744	6,006,973	6,803,343	7,124,897	7,092,637	7,198,059

MENDHAM TOWNSHIP SCHOOL DISTRICT
CHANGE IN NET POSITION BY COMPONENT, LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues:										
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 285,249	\$ 299,975	\$ 298,406	\$ 319,700	\$ 318,315	\$ 229,617	\$ 59,575	\$ 273,764	\$ 389,729	\$ 437,504
Enrichment Program	81,077	71,707	139,185	153						
Preschool Program	168,615	217,560	217,719	298,776	338,872					
2 Year Old Program				91,277	91,004					
Middle School Play				20,759	50,723	6,120	3,792	30,756	20,067	18,176
Operating Grants and Contributions	5,486	3,734	3,729	3,546						
Total Business-Type Activities Program Revenues	540,427	592,976	659,039	734,211	798,914	235,737	63,367	304,520	409,796	455,680
Total District Program Revenues	\$ 2,859,880	\$ 3,198,479	\$ 3,389,905	\$ 7,801,718	\$ 6,928,658	\$ 6,242,710	\$ 6,866,710	\$ 7,429,417	\$ 7,502,433	\$ 7,653,739
Net (Expense)/Revenue:										
Governmental Activities	\$ (15,553,371)	\$ (15,510,729)	\$ (16,413,899)	\$ (16,068,567)	\$ (15,861,750)	\$ (15,330,512)	\$ (15,366,041)	\$ (16,252,695)	\$ (17,250,750)	\$ (19,581,580)
Business-Type Activities	(137,488)	228,888	350,751	287,746	(496)	(15,778)	(25,093)	5,963	20,092	9,391
Total District-Wide Net Expense	\$ (15,690,859)	\$ (15,281,841)	\$ (16,063,148)	\$ (15,780,821)	\$ (15,862,246)	\$ (15,346,290)	\$ (15,391,134)	\$ (16,246,732)	\$ (17,230,658)	\$ (19,572,189)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 14,132,426	\$ 14,382,115	\$ 14,367,805	\$ 14,645,103	\$ 14,762,364	\$ 15,499,544	\$ 16,632,084	\$ 16,964,726	\$ 17,210,733	\$ 17,949,755
Taxes Levied for Debt Service	1,215,438	1,178,925	1,180,538	1,205,525	1,189,038	1,216,925	946,175	1,110,800	1,089,930	921,744
Unrestricted Grants and Contributions	577,283	590,109	581,687	34,804	15,699	14,031	13,862	154,918	94,221	697,637
Miscellaneous Income	2,233	124,557	6,685	21,639	75,767	25,237	168,518	54,877	646,587	864,067
Financed Purchase Payments	145,736	176,221	181,704							
Fixed Assets	(311,108)	194,802	(139,811)							
Transfers		274,723	581,181		153	(133)			(52,856)	
Other Items	(5,214,556)					(310,301)				
Total Governmental Activities	10,547,452	16,921,452	16,759,789	15,907,071	16,043,021	16,445,303	17,760,639	18,285,321	18,988,615	20,433,203
Business-Type Activities:										
Transfers		(274,723)	(581,181)		(153)	133			52,856	
Miscellaneous Income	356	904	1,294	965	1,648	862	100	159	2,452	3,789
Other Items				19,698	(31,289)					
Total Business-Type Activities	356	(273,819)	(579,887)	20,663	1,495	(30,294)	100	159	55,308	3,789
Total District-Wide	\$ 10,547,808	\$ 16,647,633	\$ 16,179,902	\$ 15,927,734	\$ 16,044,516	\$ 16,415,009	\$ 17,760,739	\$ 18,285,480	\$ 19,043,923	\$ 20,436,992
Change in Net Position:										
Governmental Activities	\$ (5,005,919)	\$ 1,410,723	\$ 345,890	\$ (161,496)	\$ 181,271	\$ 1,114,791	\$ 2,394,598	\$ 2,032,626	\$ 1,737,865	\$ 851,623
Business-Type Activities	(137,132)	(44,931)	(229,136)	308,409	999	(46,072)	(24,993)	6,122	75,400	13,180
Total District	\$ (5,143,051)	\$ 1,365,792	\$ 116,754	\$ 146,913	\$ 182,270	\$ 1,068,719	\$ 2,369,605	\$ 2,038,748	\$ 1,813,265	\$ 864,803

Source: Mendham Township School District Financial records.

MENDHAM TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 1,746,656	\$ 2,387,228	\$ 3,281,371	\$ 2,779,563	\$ 2,228,253	\$ 3,040,147	\$ 3,843,360	\$ 4,746,512	\$ 5,682,411	\$ 5,510,913
Assigned	142,543	164,853	48,256	7,179		7,680	794,488	692,230	542,883	665,977
Unassigned	428,878	437,668	421,139	455,845	553,070	554,442	1,036,568	1,120,827	669,738	778,472
Total General Fund	<u>\$ 2,318,077</u>	<u>\$ 2,989,749</u>	<u>\$ 3,750,766</u>	<u>\$ 3,242,587</u>	<u>\$ 2,781,323</u>	<u>\$ 3,602,269</u>	<u>\$ 5,674,416</u>	<u>\$ 6,559,569</u>	<u>\$ 6,895,032</u>	<u>\$ 6,955,362</u>
All Other Governmental Funds:										
Assigned, Reported in:										\$ 300,000
Capital Projects Fund										
Restricted, Reported in:										
Special Revenue Fund						\$ 74,984	\$ 74,600	\$ 75,899	\$ 66,717	92,937
Capital Projects Fund								19,722,882	18,183,046	16,077,638
Debt Service Fund	\$ 42,562	\$ 42,562						12,037	461,466	762,974
Total All Other Governmental Funds	<u>\$ 42,562</u>	<u>\$ 42,562</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 74,984</u>	<u>\$ 74,600</u>	<u>\$ 19,810,818</u>	<u>\$ 18,711,229</u>	<u>\$ 17,233,549</u>
Total Governmental Funds	<u>\$ 2,360,639</u>	<u>\$ 3,032,311</u>	<u>\$ 3,750,766</u>	<u>\$ 3,242,587</u>	<u>\$ 2,781,323</u>	<u>\$ 3,677,253</u>	<u>\$ 5,749,016</u>	<u>\$ 26,370,387</u>	<u>\$ 25,606,261</u>	<u>\$ 24,188,911</u>

Source: Mendham Township School District Financial records.

MENDHAM TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENT FUNDS,

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Tax Levy	\$ 15,347,864	\$ 15,561,040	\$ 15,548,343	\$ 15,850,628	\$ 15,951,402	\$ 16,716,469	\$ 17,578,259	\$ 18,075,526	\$ 18,300,663	\$ 18,871,499
Tuition Charges	46,785	63,384	45,525	48,607	78,814	434,343	360,936	512,625	641,188	564,760
Transportation Fees from other LEAs	726,985	740,743	809,489	810,909	951,006	1,196,293	1,336,001	1,668,389	2,011,938	1,717,128
Interest Earned on Maintenance and Capital Reserves	1,214	2,369	6,685	12,336	6,163	5,931	9,273	2,669	41,096	59,995
Miscellaneous	23,380	103,958	2,623	167	57,972	9,548	215,111	139,571	778,399	975,010
Rental Income		29,988	12,729	11,429	12,460	9,758	2,260	10,800	18,644	4,334
State Sources	1,927,834	2,164,558	2,297,776	2,666,120	3,042,404	3,314,649	3,966,939	4,916,386	5,214,970	6,488,859
Federal Sources	172,771	215,168	144,411	282,360	295,422	160,346	222,565	288,741	315,653	644,389
Total Revenue	18,246,833	18,881,208	18,867,581	19,682,556	20,395,643	21,847,337	23,691,344	25,614,707	27,322,551	29,325,974
Expenditures:										
Instruction										
Regular Instruction	4,666,396	4,599,211	4,726,763	4,701,133	4,759,563	4,852,934	5,200,121	5,615,702	6,356,506	6,976,569
Special Education Instruction	990,755	1,080,940	1,128,803	1,440,402	1,540,837	1,688,286	1,576,779	1,713,853	1,683,046	2,031,006
Other Special Instruction	252,241	261,906	274,200							
Other Instruction	203,555	239,089	210,501	301,073	199,409	268,784	234,767	148,058	145,576	256,938
School-Sponsored Support Services:				95,963	203,760	248,689	214,180	241,469	315,137	302,095
Tuition	351,675	454,162	169,918	199,346	279,052	266,576	140,074	298,248	198,433	427,220
Student and Instruction Related Services	1,480,517	1,406,785	1,409,638	1,543,113	1,553,536	1,461,164	1,621,146	1,829,225	2,135,592	2,428,630
General Administrative Services	501,575	432,695	449,973	420,729	411,570	464,477	473,653	629,342	572,759	619,796
School Administrative Services	593,554	569,254	590,978	599,137	597,939	473,320	494,479	503,595	537,783	523,905
Central Services	221,225	212,405	197,257	229,223	243,337	280,764	275,663	295,435	302,764	324,173
Plant Operations and Maintenance	1,300,093	1,397,712	1,465,446	1,479,374	1,450,749	1,278,079	1,239,096	1,434,063	1,745,025	1,898,884
Pupil Transportation	1,848,684	1,794,880	1,731,701	1,907,814	1,999,911	1,880,032	2,053,017	2,475,805	2,939,466	2,857,648
Unallocated Benefits	4,529,477	4,655,914	5,045,824	5,667,319	5,994,179	6,274,021	6,831,198	8,008,982	8,231,135	8,336,387

MENDHAM TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENT FUNDS,

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenditures: (Cont'd)										
Capital Outlay	\$ 9,771	\$ 31,194	\$ 22,512	\$ 589,321	\$ 516,899	\$ 287,578	\$ 508,565	\$ 689,594	\$ 1,680,669	\$ 2,209,805
Charter Schools				20,954		17,930				
Debt Service:										
Principal	875,000	870,000	945,000	965,000	990,000	1,060,000	1,060,000	1,045,000	720,000	1,033,000
Interest and Other Charges	340,438	308,925	278,100	240,525	199,038	156,925	111,175	65,800	469,930	517,268
Total Expenditures	18,164,956	18,315,072	18,646,614	20,400,426	20,939,779	20,959,559	22,033,913	24,994,171	28,033,821	30,743,324
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	81,877	566,136	220,967	(717,870)	(544,136)	887,778	1,657,431	620,536	(711,270)	(1,417,350)
Other Financing Sources (Uses)										
Serial Bond Proceeds								19,903,000		
Transfers In	233,355	274,723	581,181		153	4,647		12,037	549,429	301,508
Transfers Out	(5,558)	(35,663)	(35,663)			(4,780)		(12,037)	(602,285)	(301,508)
Financed Purchases (Non-Budgeted)	228,440	199,110	232,745	209,691	82,719	188,500	414,332	97,835		
Due to State for Prior Year's Grant Funds						(236,569)				
Cancellation of Prior Year Receivable						(103,069)				
Total Other Financing Sources (Uses)	456,237	473,833	778,263	209,691	82,872	(151,271)	414,332	20,000,835	(52,856)	
Net Change in Fund Balances	\$ 538,114	\$ 1,039,969	\$ 999,230	\$ (508,179)	\$ (461,264)	\$ 736,507	\$ 2,071,763	\$ 20,621,371	\$ (764,126)	\$ (1,417,350)
Debt Service as a Percentage of										
Noncapital Expenditures	6.69 %	6.45 %	6.57 %	6.09 %	5.82 %	5.89 %	5.44 %	4.57 %	4.52 %	5.43 %

Source: Mendham Township School District Financial records.

MENDHAM TOWNSHIP 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 Capital & Maintenance Reserves	Tuition	Transportation Fees	Other	Total
2015	\$ 1,498	\$ 46,785	\$ 726,985	\$ 23,096	\$ 798,364
2016	2,369	63,384	740,743	131,624	938,120
2017	6,685	45,525	809,489	12,729	874,428
2018	12,336	48,607	810,909	9,303	881,155
2019	6,163	78,814	951,006	69,604	1,105,587
2020	5,931	434,343	1,196,293	19,306	1,655,873
2021	9,273	360,936	1,336,001	159,245	1,865,455
2022	2,669	512,625	1,668,389	40,171	2,223,854
2023	41,096	641,188	2,011,938	156,062	2,850,284
2024	59,995	564,760	1,717,128	202,564	2,544,447

Source: Mendham Township School District records.

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

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2014	\$ 23,995,000	\$ 1,733,473,800	\$ 109,314,900	\$ 617,800	\$ 10,162,400	\$ 2,100	\$ - 0 -	\$ 1,877,566,000	\$ 1,239,350	\$ 1,878,805,350	\$ 152,605,300	\$ 0.80	\$ 1,895,672,519
2015	22,888,000	1,729,916,200	111,919,200	624,700	10,162,400	2,100	- 0 -	1,875,512,600	1,226,793	1,876,739,393	152,605,300	0.82	1,963,385,307
2016	23,331,400	1,726,534,100	112,663,100	624,700	10,162,400	2,100	- 0 -	1,873,317,800	1,240,960	1,874,558,760	152,605,300	0.83	1,942,042,113
2017	21,863,300	1,726,778,500	115,993,000	606,300	10,039,000	2,100	- 0 -	1,875,284,200	1,244,391	1,876,528,591	152,589,500	0.83	1,959,468,151
2018	21,643,900	1,719,760,500	122,730,600	520,300	10,123,500	2,100	- 0 -	1,874,780,900	1,250,037	1,876,030,937	152,607,500	0.84	1,938,936,548
2019	24,051,500	1,713,009,200	127,004,700	521,800	10,123,500	2,100	- 0 -	1,874,712,800	1,326,546	1,876,039,346	151,071,800	0.85	1,918,523,996
2020	22,318,800	1,704,252,900	124,563,700	505,900	14,073,500	2,100	- 0 -	1,865,716,900	1,382,402	1,867,099,302	142,890,500	0.88	1,883,588,522
2021	22,803,600	1,697,602,100	122,993,400	506,400	14,073,500	2,100	- 0 -	1,857,981,100	1,428,181	1,859,409,281	142,578,700	0.95	1,823,998,116
2022	20,442,000	1,770,239,600	140,221,600	513,700	15,423,700	2,700	9,127,700	1,955,971,000	1,456,656	1,957,427,656	194,547,900	0.92	1,904,237,283
2023	19,894,200	1,834,705,000	149,339,600	541,700	11,557,500	2,700	10,718,500	2,026,759,200	1,485,637	2,028,244,837	195,188,200	0.90	2,091,377,370

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when ordered by the County Board of Taxation.

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

^b Tax Rates are per \$100 of Assessed Value.

Source: Municipal Tax Assessor

MENDHAM TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

Year Ended December 31,	Mendham Township School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Regional High School	Township of Mendham	Morris County	
2014	\$ 0.74	\$ 0.06	\$ 0.80	\$ 0.54	\$ 0.38	\$ 0.26	\$ 1.98
2015	0.75	0.06	0.82	0.56	0.39	0.26	2.03
2016	0.77	0.06	0.83	0.55	0.42	0.27	2.07
2017	0.77	0.06	0.83	0.53	0.44	0.27	2.07
2018	0.78	0.06	0.84	0.56	0.44	0.27	2.12
2019	0.79	0.06	0.85	0.57	0.45	0.27	2.13
2020	0.82	0.07	0.88	0.57	0.45	0.27	2.17
2021	0.89	0.05	0.95	0.55	0.45	0.25	2.20
2022	0.87	0.06	0.92	0.51	0.43	0.25	2.11
2023	0.85	0.05	0.90	0.51	0.41	0.26	2.09

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 the Net Valuation Taxable.

^b Rates for Debt Service are based on each year's requirements.

Source: Municipal Tax Collector and School Business Administrator

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

2023		2014	
Taxpayer	Taxable Assessed Value	Taxpayer	Taxable Assessed Value
Shemy, LLC	\$ 8,445,900	Shemy, LLC	\$ 8,454,200
Woodland Lakes, Inc.	8,148,000	Woodland Lakes Inc.	7,795,500
Mendham Golf & Tennis Club	6,700,300	Mendham Golf & Tennis Club	6,199,400
Southeast Morris County MUA	4,870,100	Southeast Morris County MUA	4,870,100
Individual Taxpayer #1	4,099,600	Individual Taxpayer #1	4,097,300
Individual Taxpayer #2	3,985,300	Individual Taxpayer #2	3,985,600
Hospitality Resources-Hillandale, LLC	3,950,000	Desiree Farm, LLC	3,850,000
Desiree Farm, LLC	3,850,000	Individual Taxpayer #3	3,800,000
Individual Taxpayer #3	3,800,000	Individual Taxpayer #4	3,603,300
Individual Taxpayer #5	3,704,000	Individual Taxpayer #5	3,560,600
Total	\$ 51,553,200	Total	\$ 50,216,000
			2.66%

NOTE: Individual Taxpayers are numbered in the year assessed; however, they may be not be the same individual taxpayers in the two years presented.

MENDHAM TOWNSHIP 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	
2015	\$ 15,347,864	\$ 15,347,864	100.00 %	\$ - 0 -
2016	15,561,040	15,561,040	100.00 %	- 0 -
2017	15,548,343	14,691,462	94.49 %	856,881
2018	15,850,628	15,688,361	98.98 %	162,267
2019	15,951,402	15,951,402	100.00 %	- 0 -
2020	16,716,469	16,716,469	100.00 %	- 0 -
2021	17,578,259	17,578,259	100.00 %	- 0 -
2022	18,075,526	18,075,526	100.00 %	- 0 -
2023	18,075,526	18,075,526	100.00 %	- 0 -
2024	18,300,033	18,300,033	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: Mendham Township School District records including the Certificate and Report of School Taxes (A4F form).

MENDHAM TOWNSHIP 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
	General Obligation Bonds	Financed Purchases			
2015	\$ 7,655,000	\$ 406,646	\$ 8,061,646	1.64 %	\$ 1,379
2016	6,785,000	429,535	7,214,535	1.40 %	1,237
2017	5,840,000	480,576	6,320,576	1.19 %	1,089
2018	4,875,000	456,721	5,331,721	0.99 %	923
2019	3,885,000	332,986	4,217,986	0.76 %	736
2020	2,825,000	456,652	3,281,652	0.57 %	583
2021	1,765,000	563,244	2,328,244	0.36 %	388
2022	20,623,000	366,390	20,989,390	3.13 %	3,490
2023	19,903,000	206,354	20,109,354	3.01 %	3,358
2024	18,870,000	84,855	18,954,855	2.84 %	3,165

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.

Source: Mendham Township School District Financial records.

MENDHAM TOWNSHIP 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		
2015	\$ 7,655,000	- 0 -	\$ 7,655,000	5.02 %	1,312
2016	6,785,000	- 0 -	6,785,000	4.45 %	1,169
2017	5,840,000	- 0 -	5,840,000	3.83 %	1,011
2018	4,875,000	- 0 -	4,875,000	3.19 %	851
2019	3,885,000	- 0 -	3,885,000	2.55 %	686
2020	2,825,000	- 0 -	2,825,000	1.87 %	502
2021	1,765,000	- 0 -	1,765,000	1.24 %	294
2022	20,623,000	- 0 -	20,623,000	14.46 %	3,429
2023	19,903,000	- 0 -	19,903,000	10.23 %	3,323
2024	18,870,000	- 0 -	18,870,000	9.67 %	3,151

^a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

^b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

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

Source: Mendham Township School District Financial records.

MENDHAM TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
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			
Mendham Township	\$ 16,494,618	100.00 %	\$ 16,494,618
Morris County General Obligation Debt	326,425,422	1.94 %	6,345,358
Subtotal, Overlapping Debt			22,839,976
Mendham Township School District Direct Debt			18,870,000
Total Direct and Overlapping Debt			\$ 41,709,976

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Mendham Township. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of another governmental unit's equalized property value that is within the District's boundaries and dividing it by each unit's total equalized property value.

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

MENDHAM TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$ 53,178,391	\$ 54,994,000	\$ 55,780,057	\$ 58,352,525	\$ 58,352,525
Total Net Debt Applicable to Limit	7,655,000	6,785,000	5,840,000	4,875,000	3,885,000
Legal Debt Margin	<u>\$ 45,523,391</u>	<u>\$ 48,209,000</u>	<u>\$ 49,940,057</u>	<u>\$ 53,477,525</u>	<u>\$ 54,467,525</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	14.39 %	12.34 %	10.47 %	8.35 %	6.66 %

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt Limit	\$ 57,446,330	\$ 56,366,487	\$ 56,165,664	\$ 58,105,628	\$ 60,533,622
Total Net Debt Applicable to Limit	2,825,000	1,765,000	20,623,000	19,903,000	18,870,000
Legal Debt Margin	<u>\$ 54,621,330</u>	<u>\$ 54,601,487</u>	<u>\$ 35,542,664</u>	<u>\$ 38,202,628</u>	<u>\$ 41,663,622</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.92 %	3.13 %	36.72 %	34.25 %	31.17 %

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized Valuation Basis	
2023	\$ 2,072,292,341
2022	2,084,590,216
2021	<u>1,896,479,637</u>
	<u>\$ 6,053,362,194</u>
Average Equalized Valuation of Taxable Property	\$ 2,017,787,398
Debt Limit ^a (3% of Average Equalization Value)	\$ 60,533,622
Net Bonded School Debt as of June 30, 2024	<u>18,870,000</u>
Legal Debt Margin	<u>\$ 41,663,622</u>

^a Limit set by NJSA 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.

MENDHAM TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Population ^a</u>	<u>Morris County Per Capita Personal Income ^c</u>	<u>Personal Income ^b</u>	<u>Unemployment Rate ^d</u>
2015	5,834	\$ 88,298	\$ 515,130,532	3.30%
2016	5,805	91,252	529,717,860	3.20%
2017	5,776	93,544	540,310,144	3.10%
2018	5,730	97,244	557,208,120	2.40%
2019	5,661	99,140	561,231,540	2.40%
2020	5,633	102,227	575,844,691	5.30%
2021	6,006	107,767	647,248,602	3.90%
2022	6,014	111,597 **	671,144,358 ***	2.70%
2023	5,989 *	111,597 **	668,354,433 ***	3.20%
2024	5,989 *	111,597 **	668,354,433 ***	N/A

* - Latest population data available (2023) was used for calculation purposes.

** - Latest Morris County per capita personal income available (2022) was used for calculation purposes.

*** - Latest available population data (2023) and latest available Morris County per capita personal income (2022) was used for calculation purposes.

N/A - Information is not available.

Source:

^a Population information provided by the New Jersey Department of Labor and Workforce Development

^b Per capita personal income by county provided by the New Jersey Department of Labor and Workforce Development

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

^d Unemployment data provided by the New Jersey Department of Labor and Workforce Development

MENDHAM TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF MORRIS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2023			2014		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Atlantic Health System	10,552	4.00%	U.S. Army Armament R&D (Picatinny)	5,841	2.33%
Novartis	6,500	2.46%	Novartis	5,035	2.01%
Picatinny Arsenal	6,000	2.27%	Atlantic Health system	4,463	1.78%
Barclays	3,374	1.28%	ADP	2,060	0.82%
Automatic Data Processing, Inc.	2,400	0.91%	Bayer Healthcare, LLC	1,900	0.76%
Accenture	2,344	0.89%	County of Morris	1,674	0.67%
Price Waterhouse Coopers	2,095	0.79%	Wyndham Worldwide Corporation	1,653	0.66%
CIGNA Healthcare	1,686	0.64%	Saint Clare's Hospital	1,642	0.65%
Deloitte & Touche	1,646	0.62%	BASF Corporation	1,500	0.60%
Saint Clare's Healthcare	1,473	0.56%	Accenture	1,480	0.59%
Total	38,070	14.43%		27,248	10.86%
Total County Labor Force	263,900			250,919	

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

Source: Morris County Treasurer's Office.

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

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction:										
Regular	58.00	58.00	58.00	58.00	58.00	58.00	58.00	59.00	59.00	59.00
Special education	26.00	28.00	30.00	30.00	30.00	30.00	30.00	31.00	31.00	31.00
Other special education										
Other instruction	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Support Services:										
Student and Instruction Related Services	14.00	14.50	14.50	12.00	12.00	12.00	12.00	12.00	12.00	12.00
School Administrative Services	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
General Administrative Services	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Other Administrative Services	4.00									
Central Services	11.00	11.00	11.00	11.00	10.00	10.00	10.00	10.00	10.00	10.00
Plant Operations and Maintenance	4.00	9.00	9.00	10.00	10.00	10.00	10.60	10.60	12.00	12.00
Pupil Transportation	28.50	28.50	28.50	27.00	27.00	27.00	27.00	27.00	27.00	27.00
Total	157.50	161.00	163.00	160.00	159.00	159.00	159.60	161.60	163.00	163.00

Source: Mendham Township School District records.

MENDHAM TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff ^d	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^e	Average Daily Attendance (ADA) ^e	% Change Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School				
2015	706	\$ 16,939,747	\$ 23,994	7.84 %	90	1:7.9	1:8.7	706	682	-3.68 %	96.60 %
2016	708	17,104,953	24,160	0.69 %	90	1:7.9	1:8.6	708	686	0.28 %	96.89 %
2017	698	17,401,002	24,930	3.19 %	90	1:8.0	1:8.6	698	682	-1.41 %	97.71 %
2018	697	18,605,580	26,694	7.08 %	88	1:7.9	1:8.0	697	684	-0.14 %	98.13 %
2019	697	19,233,842	27,595	3.38 %	88	1:7.9	1:8.0	697	685	0.00 %	98.28 %
2020	724	19,455,056	26,872	-2.62 %	88	1:8.5	1:7.8	724	711	3.87 %	98.20 %
2021	742	20,354,173	27,432	2.08 %	88	1:8.4	1:7.5	741	736	2.35 %	99.33 %
2022	784	23,193,777	29,584	7.85 %	90	1:8.7	1:7.2	781	774	5.40 %	99.10 %
2023	792	25,163,222	31,772	7.40 %	90	1:8.8	1:7.3	782	767	0.13 %	98.08 %
2024	796	26,983,251	33,899	6.69 %	95	1:8.8	1:7.3	786	773	0.51 %	98.35 %

^a Enrollment includes out of District special education placements.

^b Operating expenditures equal total expenditures less Debt Service and Capital Outlay.

^c Cost per pupil is the sum as operating expenditures divided by enrollment. This cost per pupil may be different from the State's per pupil calculations.

^d Teaching staff includes only full-time equivalents of certificated staff.

^e Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Note: Enrollment based on annual October District count.

Source: Mendham Township School District records.

MENDHAM TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

<u>District Building</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Elementary										
Square Feet	93,300	93,300	93,300	93,300	93,300	93,300	93,300	93,300	93,000	93,000
Capacity (Students)	695	695	695	695	695	695	695	695	695	695
Enrollment	331	362	348	363	382	409	429	431	469	470
Middle School										
Square Feet	68,735	68,735	68,735	68,735	68,735	68,735	68,735	68,735	68,735	68,735
Capacity (Students)	548	548	548	548	548	548	548	548	548	548
Enrollment	375	346	350	334	315	315	313	353	323	326

Number of Schools at June 30, 2024

Elementary = 1

Middle School = 1

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

Source: Mendham Township School District Business Office.

MENDHAM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF ALLOWABLE MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance for School Facilities
Account #11-000-261-XXX

School Facility	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Elementary School	\$ 111,028	\$ 123,661	\$ 164,687	\$ 193,359	\$ 198,108	\$ 137,055	\$ 114,345	\$ 177,148	\$ 288,324	\$ 203,895
Middle School	134,668	200,897	178,107	245,847	237,980	137,070	114,357	184,379	300,093	203,918
	<u>\$ 245,696</u>	<u>\$ 324,558</u>	<u>\$ 342,794</u>	<u>\$ 439,206</u>	<u>\$ 436,088</u>	<u>\$ 274,125</u>	<u>\$ 228,702</u>	<u>\$ 361,527</u>	<u>\$ 588,417</u>	<u>\$ 407,813</u>

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

Source: Mendham Township School District records.

MENDHAM TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2024
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund		
School Package Policy:		
Property Section:		
Blanket Building and Contents (Pooled Coverage)	\$ 43,734,750	\$ 1,000
Boiler & Machinery, Extra Expense, Property in Transit	100,000,000	1,000
EDP Equipment/Media	750,000	1,000
Extra Expense	50,000,000	1,000
Valuable Papers	10,000,000	1,000
Equipment Breakdown	100,000,000	1,000
Casualty Coverage:		
General Liability	31,000,000	None
Automotive Liability	31,000,000	None
Employee Benefit Liability	31,000,000	1,000
Workers Compensation:		
Statutory Benefits	Included	
Crime:		
Fogery & Alteration	1,000,000	1,000
Money & Securities	100,000	500
Money Orders/Counterfeit	100,000	500
Including Faithful Performance	1,000,000	1,000
Environmental Impairment Liability:	1,000,000	10,000
School Leaders Errors and Omissions		
Coverage A	31,000,000	5,000
Coverage B	100,000/300,000	5,000
Student Accident Insurance		
Basic/Sports	5,000,000	
Catastrophic	500,000	
Philadelphia Insurance Group		
Cyberliability	1,000,000	15,000
Surety Bond Coverage - Hanover Insurance Company		
Business Administrator/Board Secretary	250,000	1,000
Treasurer of School Monies	250,000	1,000

Source: Mendham Township School District records.

SINGLE AUDIT SECTION

Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of Mendham, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

The Honorable President and Members
of the Board of Education
Mendham Township 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.

October 25, 2024
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell

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

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
Mendham Township School District
County of Morris, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Board of Education of the Township of Mendham'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, 2024. 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, 2024.

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

Responsibilities of Management for Compliance

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

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

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

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

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Honorable President and Members
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Mendham Township School District
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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.

October 25, 2024
Mount Arlington, New Jersey

Nisivoccia, LLP

NISIVOCCIA LLP

Kathryn L. Mantell

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

MENDHAM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2023			Balance June 30, 2024		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amounts Provided to Subrecipients
U.S. Department of Education Passed-through State Department of Education:										
Special Revenue Fund:										
Title II - Part A	84.367A	ESEA-3100-14	7/1/23-9/30/24	\$ 8,473	\$ (9,965)		\$ 8,473	\$ (8,473)		
Title II - Part A	84.367A	ESEA-3100-23	7/1/22-6/30/23	9,695	(9,965)		9,965	(8,473)		
Total Title II							18,438			
Total ESEA Consolidated					(9,965)		18,438	(8,473)		
Special Education Cluster:										
IDEA Part B, Basic	84.027	IDEA-3100-24	7/1/23-9/30/24	183,271			183,271	(183,271)		
IDEA Part B, Preschool	84.173	IDEA-3100-24	7/1/23-9/30/24	9,915			9,915	(9,915)		
IDEA Part B, Basic	84.027	IDEA-3100-23	7/1/22-9/30/23	171,420	(171,420)		171,420			
IDEA Part B, Preschool	84.173	IDEA-3100-23	7/1/22-9/30/23	9,921	(9,921)		9,921			
Total Special Education Cluster					(181,341)		374,527	(193,186)		
Education Stabilization Fund:										
COVID 19 - CRRSA - Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	25,000	(25,000)		25,000			
COVID 19 - CRRSA - Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(45,000)		45,000			
COVID 19 - CRRSA - Non-Title I	84.425U	S425D210027	3/13/20-9/30/23	97,263			97,263	(97,263)		
COVID 19 - ARP - Learning Acceleration	84.425U	S425U210027	3/13/20-9/30/24	60,762			60,762	(60,762)		
COVID 19 - ARP - Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000				(23,071)	\$ (23,071)	
COVID 19 - ARP - Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000				(40,000)	(40,000)	
COVID 19 - ARP - Mental Health	84.425U	S425U210027	3/13/20-9/30/24	45,000				(8,427)	(8,427)	
COVID 19 - ARP - Non-Title I	84.425U	S425U210027	3/13/20-9/30/24	194,525	(165,323)			(29,202)	(194,525)	
COVID 19 - ARP GEER - NJ High Impact Tutoring	84.425C	N/A	10/11/23-8/31/24	38,000				(38,000)	(38,000)	
Total Educational Stabilization Fund					(235,323)		228,025	(304,023)		
Total Special Revenue Fund					(191,306)		392,965	(498,384)		
Total U.S. Department of Education					(426,629)		620,990	(498,384)	(304,023)	
Total Federal Financial Awards					\$ (426,629)	\$ - 0 -	\$ 620,990	\$ (498,384)	\$ (304,023)	\$ - 0 -
N/A - Not Available.										

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

MENDHAM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2023			Balance June 30, 2024			Memo	
				Budgetary Accounts Receivable	Budgetary Uncearned Revenue	Cash Received	Budgetary Expenditures	GAAP Accounts Receivable	Uncearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:											
General Fund:											
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	60,856	\$ (5,729)	\$	\$ 5,729					\$ 60,856
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	198,422	(18,681)		18,681					198,422
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	794,939	(74,841)		74,841					794,939
Extraordinary Special Education Aid	23-495-034-5120-044	7/1/22-6/30/23	321,706	(321,706)		321,706					321,706
Nonpublic Transportation	23-495-034-5120-014	7/1/22-6/30/23	27,410	(27,410)		27,410					27,410
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	582,833	(59,518)		59,518					582,833
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	69,981			63,384	\$ (69,981)			\$ (6,597)	69,981
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	357,352			323,665	(357,352)			(33,687)	357,352
Special Education Categorical Aid	24-495-034-5120-089	7/1/23-6/30/24	841,518			762,189	(841,518)			(79,329)	841,518
Extraordinary Special Education Aid	24-495-034-5120-044	7/1/23-6/30/24	413,471				(413,471)	\$ (413,471)		(413,471)	413,471
Nonpublic Transportation	24-495-034-5120-014	7/1/23-6/30/24	41,860				(41,860)	(41,860)		(41,860)	41,860
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	601,837			571,328	(601,837)	(30,509)		(30,509)	601,837
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23-6/30/24	760,250			760,250	(760,250)				760,250
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	2,761,862			2,761,862	(2,761,862)				2,761,862
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	31,498			31,498	(31,498)				31,498
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	1,068			1,068	(1,068)				1,068
Total General Fund State Aid				(507,885)		5,783,129	(5,880,697)	(485,840)		(605,453)	7,866,863
Debt Service Fund:											
Debt Service Aid Type II	24-495-034-5120-017	7/1/23-6/30/24	628,524			628,524	(628,524)				628,524
Total Debt Service Fund						628,524	(628,524)				628,524
Total State Awards Subject to Single Audit Determination				\$ (507,885)	\$ - 0 -	\$ 6,411,653	\$ (6,509,221)	\$ (485,840)	\$ - 0 -	\$ (605,453)	\$ 8,500,668
Less: State Awards Not Subject to Single Audit Major Program Determination											
On-Behalf TPAF Pension System Contributions:											
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23-6/30/24	(760,250)				\$ 760,250				
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	(2,761,862)				2,761,862				
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	3/13/20-9/30/24	(31,498)				31,498				
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	(1,068)				1,068				
Subtotal - On-Behalf TPAF Pension System Contributions							3,554,678				
Total State Awards Subject to Single Audit Major Program Determination							\$ (2,954,543)				

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

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Mendham Township School District Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2024. 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 in the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting. This basis of accounting is 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 the 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 with the exception of 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 those 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$20,362) for the General Fund and \$146,005 for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds, respectively.

MENDHAM TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 5,860,335	\$ 5,860,335
Special Revenue Fund	\$ 644,389		644,389
Debt Service Fund		628,524	628,524
	<u>\$ 644,389</u>	<u>\$ 6,488,859</u>	<u>\$ 7,133,248</u>
Total Financial Awards	<u>\$ 644,389</u>	<u>\$ 6,488,859</u>	<u>\$ 7,133,248</u>

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

Mendham Township School District had no loans outstanding at June 30, 2024.

NOTE 7. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2024.

MENDHAM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	_____ Yes	_____ X	No
2.) Significant deficiencies identified?	_____ Yes	_____ X	None reported
Noncompliance material to basic financial statements noted?	_____ Yes	_____ X	No

Federal Awards

The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2024 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.

State Awards

Type of auditor's report issued on compliance for major programs:

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____ Yes	_____ X	No
2.) Significant deficiencies identified?	_____ Yes	_____ X	None reported
Noncompliance material to basic financial statements noted?	_____ Yes	_____ X	No
Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?			
	_____ Yes	_____ X	No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Special Education Aid	24-495-034-5120-089	7/1/23	6/30/24	\$ 841,518	\$ 841,518
Security Aid	24-495-034-5120-084	7/1/23	6/30/24	69,981	69,981
Reimbursed TPAF					
Social Security Contributions	24-495-034-5120-084	7/1/23	6/30/24	601,837	601,837
Dollar threshold used to distinguish between Type A and B programs				<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?		_____ Yes		_____ X	No

MENDHAM TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Status of Prior Year Findings:

There were no prior year findings.